



Annual Audit Report of the Chief Auditor For the year ended March 2014



नई दिल्ली नगरपालिका परिषद्
New Delhi Municipal Council



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of the
Chief Auditor**

For the year ended March 2014

New Delhi Municipal Council

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PREFACE

This Annual Audit Report for the year ended 31 March 2014 has been prepared for submission to the Council in terms of sub-section 17 of Section 59 of the NDMC Act, 1994 which envisages that the Chief Auditor shall deliver to the Council a report on the entire accounts of the Council for the previous year.

The Report contains comments on the Annual Accounts, Performance Audit on Contract Management (Civil & Electrical Engineering Department), Enforcement Department & Investment Department and the transactions /cases for the year 2013-14 which came to notice in the course of test audit during the year 2013-14 as well as those which had come to notice in earlier years but could not be dealt with in previous reports; matters relating to the period subsequent to 2013-14 have also been included, wherever necessary.

Audit wishes to acknowledge the cooperation received from various departments at each stage of audit process.

OVERVIEW

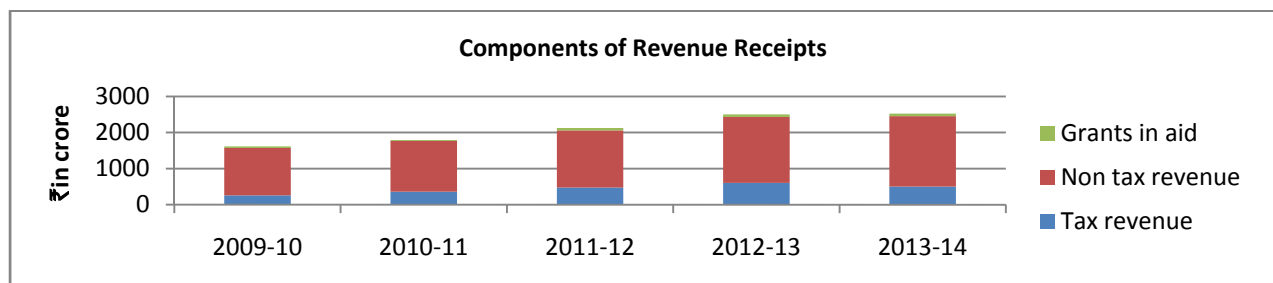
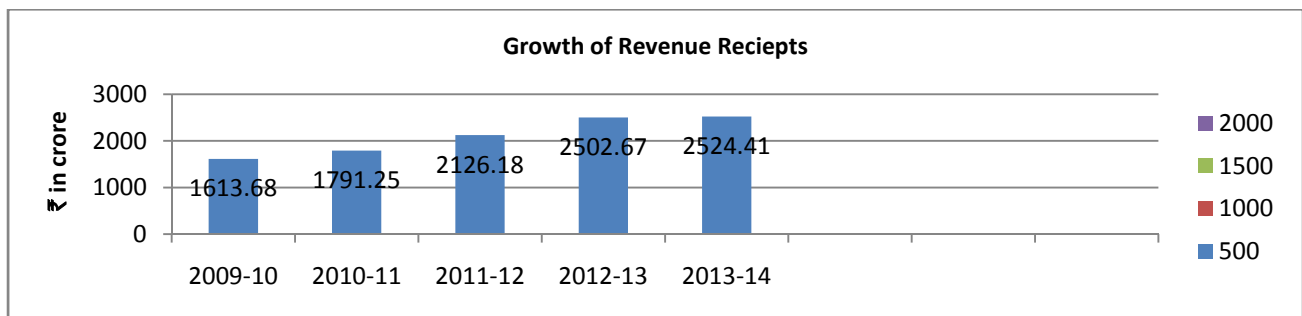
This Report includes one chapter on the state of finances of the New Delhi Municipal Council for the year 2013-14, three chapters containing review of **Contract Management (Civil & Electrical Engineering Department)**, **Enforcement & Investment Department** and 09 chapters containing 12 paragraphs dealing with results of audit of transactions of various departments of the Council and recoveries aggregating to ₹128 crore made at the instance of Audit.

FINANCE AND ACCOUNTS DEPARTMENT

Financial Results

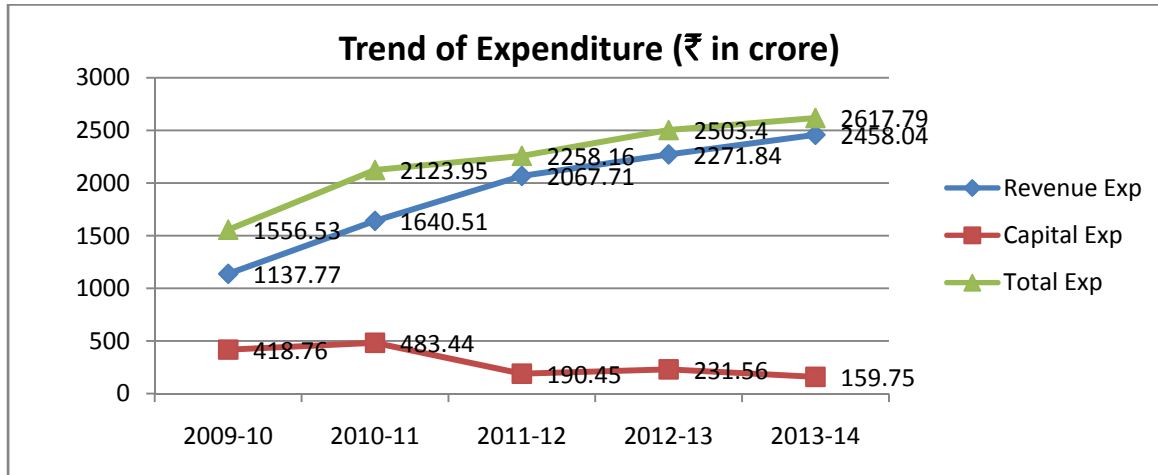
The financial position of the Council is reflected largely through the New Delhi Municipal Fund, maintained by the Council under Section 44 of the NDMC Act, 1994. All receipts and expenditure are booked under this Fund. During the year 2013-14, there was a surplus of ₹482.36 crore and the closing balance as on 31 March 2014 was ₹143.19 crore.

The following graphs indicate the growth of revenue receipts and its various components:



Major sources of non-tax revenue were receipts on account of sale of energy (43.46 per cent), interest on investment (43.81 per cent) and rent/licence fee and receipts from other commercial activities (19.10 per cent). Receipts on account of sale of energy had been fluctuating between 35.88 and 43.46 per cent in terms of share of total non-tax revenue over the last five years. The increase of non-tax revenue over the last year was mainly due to increase mainly in interest on investments, sale of energy and sale of water.

Expenditure of the Council increased to ₹2617.79 crore in 2013-14 from ₹2503.40 crore in 2012-13, i.e. an increase of 4.57 per cent over the previous year as depicted in the following graph:



(i) Total expenditure increased from ₹1556.53 crore in 2009-10 to ₹2617.79 crore in 2013-14. Expenditure incurred during 2013-14 increased by 4.57 per cent over the previous year.

(ii) Capital expenditure in respect of works relating to NDMC decreased from ₹231.56 crore in 2012-13 to ₹159.75 crore in 2013-14 i.e. a decrease by 31.01 per cent in comparison to the previous year. Likewise, revenue expenditure during 2013-14 also increased by 8.19 per cent over the previous year.

Major audit observations on the accounts of the Council are:

(a) The actual expenditure during the year 2013-14 was ₹2042.05 crore against revised estimate of ₹2073.93 crore. The expenditure for 2013-14 had thus exceeded the revised estimates by ₹31.88 crore. Expenditure under 8 heads of account was incurred in excess of revised estimates. The excess expenditure ranged between 0.04 and 980 per cent of revised estimates.

(b) The head under 'Loans, Advances and Deposits' (Schedule B-18) includes an amount of (-) ₹46.59 crore was shown as Deposit with External Agencies (Account Code-46060).

(c) As per Schedule B-17, Cash & Bank balance shown in NDMC account 2013-14 was ₹143,19,05,937.26 whereas as per Cash Book ₹143,17,35,252.37 leaving a difference of ₹(-)1,70,684.89.

(d) Three different schedules viz. Schedule B-12: Investment-General Fund, Schedule B-13: Investment-Other Funds and Schedule B-15: Sundry Debtors (Receivables) had not been prepared in accordance with the National Municipal Accounting Manual (NMAM).

(Chapter 1)

Contract Management in Engineering Departments

- ❖ The Construction Divisions (Civil) did not justify the continuation of the divisions without adequate workload for three years.
- ❖ There were premature demolition and re-construction of Type-I flats at Bapu Dham.
- ❖ As per Agreement Register maintained by CE-III Division (Civil), consultancy contracts were awarded at freakishly low rates.
- ❖ There were frequent changes in the scope of work for construction of Service Centre at Fire Brigade Lane and resulted the delay in award of contract.
- ❖ In the Building Maintenance Division (Civil), frequent changes in respect of the user requirements and the work contents have delayed the initiation of the works.
- ❖ There were material changes in scope of work after award of contract and associated irregularities.
- ❖ In the Building Maintenance Division (Civil), there was clear evidence of tailoring the justified rates to suit the tendered rate. Also there were irregularities in the rejection of tender.
- ❖ The BM Division (Civil) split up the extra/additional/substituted items to get them of sanctioned under the limits of the delegated powers of respective authority, instead of seeking the sanction of the authority empowered to sanction the entire amount.
- ❖ There was delay in completion of work due to unauthorised constructions.
- ❖ There were cases of splitting of contracts and non-observance of contractual provisions as well ambiguities in contracts.
- ❖ The BM Division did not maintain mandatory registers e.g. Register of Buildings.
- ❖ In the Store Division (Civil), irregularities were found in procurement of building materials/allied stores.
- ❖ During test check of tender files of different projects/works executed by Road Division of NDMC, revealed that codal provisions as stipulated in NIT/Agreement were not adhered to.
- ❖ The Road Divisions (Civil) made payment of ₹2.01 crore in 16 projects to the contractors on account of labour escalation without the provision of labour components in schedule 'F' of the agreement.
- ❖ The Road Divisions (Civil) made excess payment/short recovery & short revenue amounting ₹1.23 crore from the contractors due to lack of internal control system & mechanism.
- ❖ In the Road Divisions (Civil), there was delay in scrutiny of tender documents and award of work during the 2010-2014. Besides, delay were also observed in execution of agreements and in the execution of work.
- ❖ In Road-III Divisions (Civil), advance payment (ranging from 50% to 100%) were made to the agencies, which is in violation of the provision of 159 of GFR.
- ❖ In the Road Light Division undue delay was found in completion of work which resulted in blockade of ₹8.18 lakh.
- ❖ In the Building Maintenance Division (BM-I) there was extra avoidable expenditure of ₹14.24 lakh in the electric work at Mayur Bhawan. Moreover, Division had received short

deposit of performance guarantee from contractor and not levied the penalty on account of delay on the contractor.

- ❖ The (M/N) Division adopted incorrect procedure for preparation of eligibility criteria/Justification regarding bids.
- ❖ The work for replacement of old aluminum wiring at Navyug Schools was awarded by BM-II (Elect.) at higher rates.
- ❖ In the Water Supply Division, work was awarded at different rates allowed in awarding two works during same period.

(Chapter 2)

Review of Enforcement Department

- ❖ NDMC has not prescribed any guideline for issuance, custody, accounting, physical verification and reconciliation of Challan Books with the actual revenue receipts. There are various discrepancies in the number of challan books utilized and the revenue deposited against them.
- ❖ As on 31 October 2014, a sum totaling ₹9.49 crore was outstanding against the outgoing contractors on account of licence fees of parking lots.
- ❖ As on 31 March, 2014, license fees amounting to ₹1.14 crore was outstanding against 755 of licensees of Thareja, Old Tehbazari, Taxi Stands, Cycle repair, Press Platform & Mochi Thara, Taxi and PCO Booths.
- ❖ Demand & Collection (D&C) Registers revealed that there are serious flaws in the internal control mechanism of the entries.
- ❖ There is non-maintenance of store records of impounded vehicles/goods.
- ❖ Due to delay in implementation of Council decision for revision of Tehbazari fee, NDMC could not recover enhanced license fee of ₹96.36 lakh from the license holder of Tharas for the period from 1st September 2009 to 31st August 2014.
- ❖ The payment to hired raid vans and cranes has been made for more than specified hours without any explanation.

(Chapter 3)

Review of Investment Department

- ❖ Assessment of surplus funds is faulty.
- ❖ There is a delay in investment of funds which resulted in loss of interest of ₹2.35 crore in 54 cases during the period from April 2011 to March 2014.
- ❖ The Investment Committee decided to invest ₹30.01 crore in State Bank of India ignoring offer of higher rate of interest given by the other Public Sector Bank (Indian Overseas Bank @ 8.80%).
- ❖ The Investment Branch did not consider credit ratings in respect of nationalised bank/scheduled banks. Further, credit rating of Private banks were considered after being rated by one credit agency instead of two i.e. CRISIL & ICRA.
- ❖ Surplus funds have been invested in banks over and above their capping limits.
- ❖ The Department did not review investment policy on yearly basis.

- ❖ Less investment made in PSU Banks in violation of Department of Public Enterprises (DPE) guidelines.
- ❖ There is an inadequate competition due to participation of lesser number of banks and non-review of financial position of empanelled banks.
- ❖ There is non-apportionment of funds among banks.

(Chapter 4)

ACCOUNTS DEPARTMENT

Overpayment of ₹19.76 lakh due to payment of family pension at enhanced rates after expiry of admissible period (Chapter 5 : Para 5.1)

CIVIL ENGINEERING DEPARTMENT

Non recovery of ₹6.98 crore incurred by NDMC on a plot transferred to National Law University (Chapter 6 : Para 6.1)

Non recovery of ₹12.45 lakh incurred by NDMC on a project transferred to Delhi Transco Ltd. (Chapter 6 : Para 6.2)

COMMERCIAL DEPARTMENT

Non recovery of arrears of ₹4.27 crore in respect of temporary connections (Chapter 7 : Para 7.1)

ELECTRICAL ENGINEERING DEPARTMENT

Inordinate delay in recovering damage charges ₹30.96 lakh from the defaulting supplier of transformers (Chapter 8 : Para 8.1)

Non recovery of excess expenditure incurred on Deposit works (Chapter 8 : Para 8.2)

Blockade of funds of ₹11.58 lakh due to purchase of stores based on unrealistic demands (Chapter 8 : Para 8.3)

ESTATE DEPARTMENT

Non finalization/ non-recovery of misuse charges of ₹1.01 crore from owners in Khan Market (Chapter 9 : Para 9.1)

MUNICIPAL HOUSING DEPARTMENT

Inordinate delay in revision of rates of licence fees resulting in under recovery of ₹27.99 lakh from occupants (Chapter 10 : Para 10.1)

PROPERTY TAX DEPARTMENT

Non-realization of property tax of ₹4.84 crore due to dishonoured cheques received from assesses (Chapter 11 : Para 11.1)

TRANSPORT DEPARTMENT

Purchase of diesel at higher rates resulting in loss of ₹30.41 lakh (Chapter 12 : Para 12.1)

GENERAL PARAGRAPH

Non-refund/transfer of security deposit to Government account amounting to ₹5.13 crore (Chapter 13 : Para 13.1)

RECOVERY AT THE INSTANCE OF AUDIT

On being pointed out in audit (June 2015) the various departments of NDMC made recoveries aggregating to ₹128 crore (Chapter 14)

CHAPTER - 1

PART-I

ANNUAL ACCOUNTS OF NDMC

1.1 Introduction

This chapter depicts the financial position of the New Delhi Municipal Council, based on an analysis of the information contained in the Accounts of the Council for the year 2013-14. The analysis is based on the trends in receipts and expenditure and financial management of the Council.

1.2 Financial position of the Council

The accounts of the Council are prepared as per Section 58 of the NDMC Act, 1994. NDMC decided to switch over to Accrual Based Double Entry System of Accounting with effect from the year 2004-05 vide Council Resolution No.3(xii) dated 24.04.2002. The accounts for the year 2013-14 were prepared on double entry system of accounting through a software e-finance developed for NDMC. The format for preparation of the Accounts is as prescribed in the National Municipal Accounts Manual (NMAM).

The financial position of the Council is reflected largely through the New Delhi Municipal Fund, maintained by the Council under Section 44 of the NDMC Act, 1994. All receipts and expenditure are booked under this Fund. During the year 2013-14, there was a surplus of ₹482.36 crore and the closing balance as on 31 March 2014 was ₹143.19 crore.

1.3 Sources and application of funds

The main sources of funds include the revenue receipts of the Council. These are applied largely on revenue and capital expenditure. The actual revenue receipts increased from ₹2502.67 crore in 2012-13 to ₹2524.41 crore in 2013-14 registering an increase of 0.86 *per cent*.

The revenue expenditure increased from ₹2271.84 crore in 2012-13 to ₹2458.04 crore in 2013-14. The capital expenditure in respect of works relating to NDMC decreased from ₹231.56 crore in 2012-13 to ₹159.75 crore in 2013-14, excluding deposit works.

1.4 New Delhi Municipal Fund

In terms of Section 44 of the NDMC Act 1994, a Fund known as 'The New Delhi Municipal Fund' is being maintained by the Council. The money received by the Council or on behalf of the Council from any source forms a part of the Fund. Expenditure on or behalf of the Council is incurred out of this Fund as per provisions of the Act. The total receipts and expenditure under this Fund for the year 2013-14 as per e-finance application were as under:

Table 1.1: New Delhi Municipal Fund (₹ in crore)

Year	2013-14	2012-13
Opening Balance as on 1 April	173.21	76.86
Add Receipts during the year	2777.81	2566.53
Total	2951.02	2643.39
Less Expenditure during the year	2808.06	2470.18
Net surplus (+)/deficit(-) during the year	30.25	96.35
Closing Balance as on 31 March	142.96	173.21

It would be seen from the above table that there was a deficit of ₹30.25 crore during 2013-14. The closing balance of the Fund decreased from ₹173.21 crore of the year 2012-13 to ₹142.96 crore at the end of 2013-14. The receipts of ₹2777.81 crore *inter-alia* included tax revenue of ₹500.13 crore, non-tax revenue of ₹1954.63 crore, revenue grants, contribution and subsidies of ₹69.65 crore etc. The expenditure of ₹2808.06 crore *inter-alia* included establishment expenses of ₹753.03 crore, administrative expenses of ₹76.97 crore operations and maintenance of ₹1124.96 crore etc.

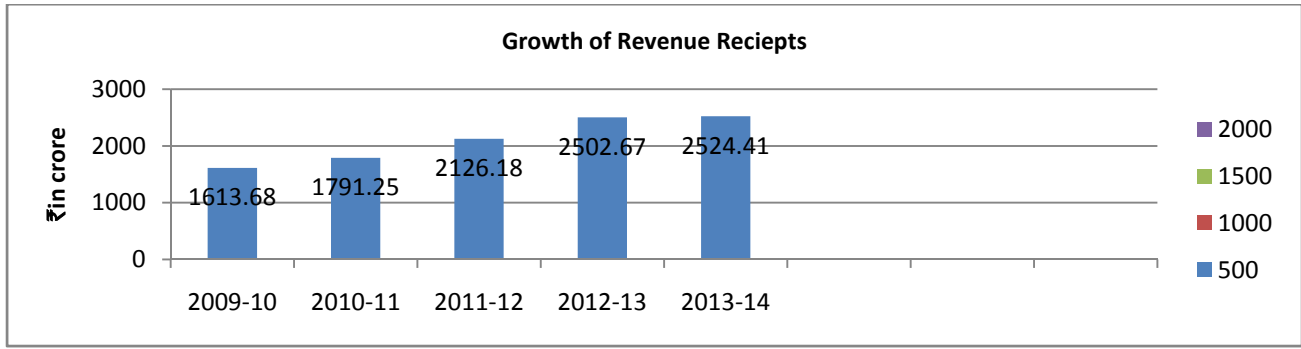
1.5 Revenue Receipts

1.5.1 Growth of revenue receipts

The revenue receipts of the Council consist mainly of tax and non-tax revenue, besides grants-in-aid from Government of NCT of Delhi. Trend of revenue receipts, including grants-in-aid received during the last five years, was as under:

Table 1.2 : Growth of revenue receipts (₹ in crore)

YEAR	ACTUAL REVENUE RECEIPTS	PERCENTAGE INCREASE (+)/ DECREASE(-) OVER PREVIOUS YEAR
2013-14	2524.41	0.87
2012-13	2502.67	17.71
2011-12	2126.18	18.70
2010-11	1791.25	11.00
2009-10	1613.68	14.20



The increase of 0.87 *per cent* in revenue receipts of 2013-14 over the previous year was due to increase in non tax revenue (7.01 *per cent*) of the Council.

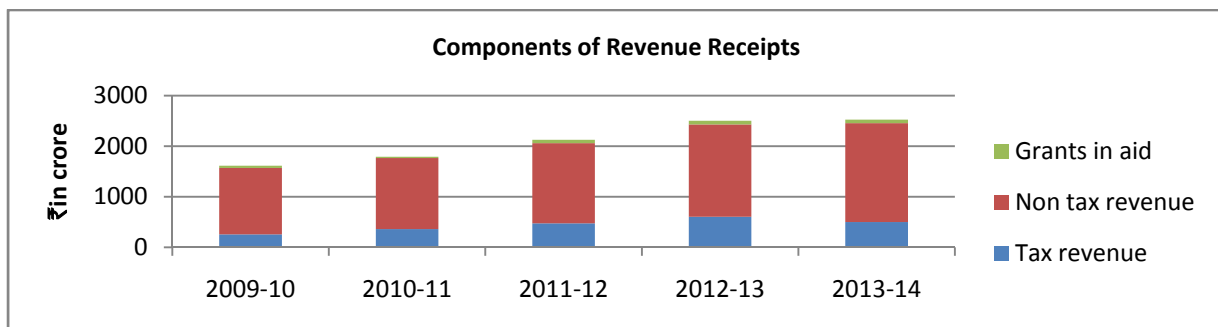
1.5.2 Components of revenue receipts

Revenue receipts under its different components during the last five years are as under:

Table 1.3: Components of revenue receipts (₹ in crore)

Components	2013-14	2012-13	2011-12	2010-11	2009-10
Tax revenue	500.13 (19.81)	604.19 (24.14)	473.51 (22.27)	359.40 (20.06)	255.68 (15.85)
Non-tax revenue	1954.63 (77.43)	1826.58 (72.99)	1588.01 (74.69)	1407.71 (78.59)	1314.69 (81.47)
Grants-in-aid from Government of Delhi / Central Government	69.65 (2.76)	71.90 (2.87)	64.66 (3.04)	24.14 (1.35)	43.31 (2.68)
Total	2524.41 (100.00)	2502.67 (100.00)	2126.18 (100.00)	1791.25 (100.00)	1613.68 (100.00)

Note: Figures given in brackets indicate percentage with respect to total receipts



Non-tax revenue continued to be the major component of revenue receipts. Total non-tax revenue increased from 72.99 *per cent* in 2012-13 to 77.43 *per cent* in 2013-14. Grants-in-aid from Government of NCT of Delhi/Central Government decreased from 2.87 *per cent* in 2012-13 to 2.76 *per cent* in 2013-14. Share of tax-revenue decreased from 24.14 *per cent* in 2012-13 to 19.81 *per cent* in 2013-14.

1.6 Tax revenue

1.6.1. Trend of tax revenue

The tax revenue of the Council consists of house tax, duty on transfer of property, advertisement tax etc. The trend of tax revenue during the years 2009-10 to 2013-14 was as under:

Table 1.4: Growth of tax revenue (₹ in crore)

Year	Actual tax revenue	Percentage increase(+)/ decrease(-) over the previous year	Percentage of total revenue receipts
2013-14	500.13	(-)17.22	19.81
2012-13	604.19	27.59	24.14
2011-12	473.51	31.75	22.27
2010-11	359.40	40.57	20.06
2009-10	255.68	(-) 2.95	15.85

The tax revenue, which had shown rising trend, except during 2009-10, decreased by 17.22 *per cent* in 2013-14 in comparison with the previous year. The receipts under tax revenue had increased from ₹255.68 crore in 2009-10 to ₹500.13 crore in 2013-14.

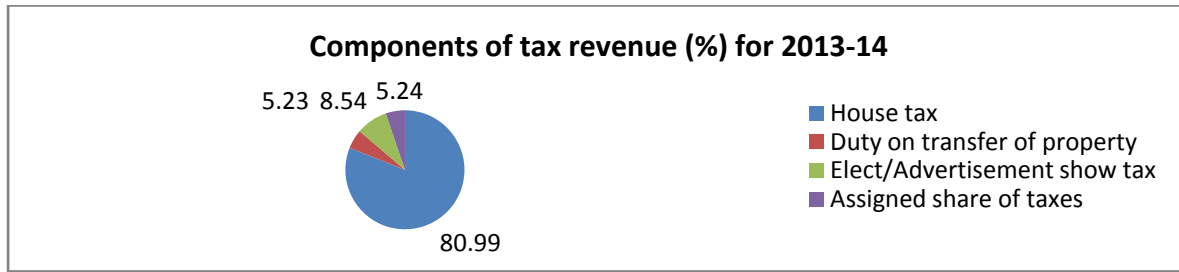
1.6.2 Components of tax revenue

The growth pattern of components of tax revenue over the last five years was as detailed below:

Table 1.5: Components of tax revenue (₹ in crore)

Components	2013-14	2012-13	2011-12	2010-11	2009-10
House Tax	405.06 (80.99)	488.19 (80.80)	382.88 (80.86)	300.78 (83.69)	207.92 (81.32)
Duty on transfer of property	26.16 (5.23)	48.68 (8.05)	36.56 (7.72)	24.20 (6.73)	19.77 (7.73)
Elect./Advertisement/show tax	42.70 (8.54)	40.22 (6.66)	30.41 (6.42)	25.39 (7.06)	11.96 (4.68)
Assigned share of taxes	26.21 (5.24)	27.10 (4.49)	23.66 (5.00)	9.03 (2.51)	16.03 (6.27)
Total	500.13 (100.00)	604.19 (100.00)	473.51 (100.00)	359.40 (100.00)	255.68 (100.00)

Note: Figures given in brackets indicate percentages with respect to total receipts



House tax continued to be the major contributor to the tax revenue. Its share increased from 81.32 percent in 2009-10 to 83.69 per cent in 2010-11 and then decreased to 80.99 *per cent* of total tax revenue in 2013-14. The receipts under 'duty on transfer of property' increased from ₹19.77 crore in 2009-10 to ₹26.16 crore in 2013-14. The receipts on account of assigned share of taxes decreased from 27.10 crore to ₹26.21 crore during 2013-14 as compared to 2012-13.

1.7 Non-tax revenue

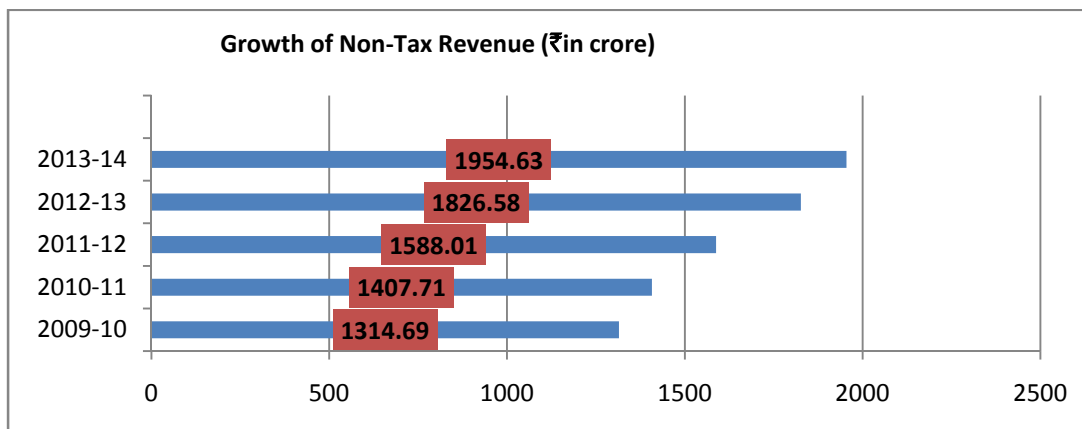
1.7.1 Growth of non-tax revenue

Non-tax revenue of the Council consists of sale of energy/water, rent/licence fee, interest on investments and other miscellaneous receipts. The growth of non-tax revenue during 2009-10 to 2013-14 was as under:

Table 1.6: Growth of non-tax revenue

(₹ in crore)

Year	Actual non-tax revenue	Percentage increase(+)/decrease (-) over the previous year	Percentage of total revenue receipts
2013-14	1954.63	7.01	77.43
2012-13	1826.58	15.02	72.99
2011-12	1588.01	12.81	74.69
2010-11	1407.71	7.08	78.59
2009-10	1314.69	32.06	81.47



Non-tax revenue constituted 77.43 *per cent* of the total revenue receipts of the Council during 2013-14. Its share increased from 72.99 *per cent* in 2012-13 to 77.43 *per cent* in 2013-14. The percentage of increase/decrease of non-tax revenue has been fluctuating between 81.47 *per cent* and 72.99 *per cent* over the last five years. In absolute terms, non-tax revenue increased from ₹1826.58 crore in 2012-13 to ₹1954.63 crore in 2013-14, registering 7.01 *per cent* increase as compared to the previous year.

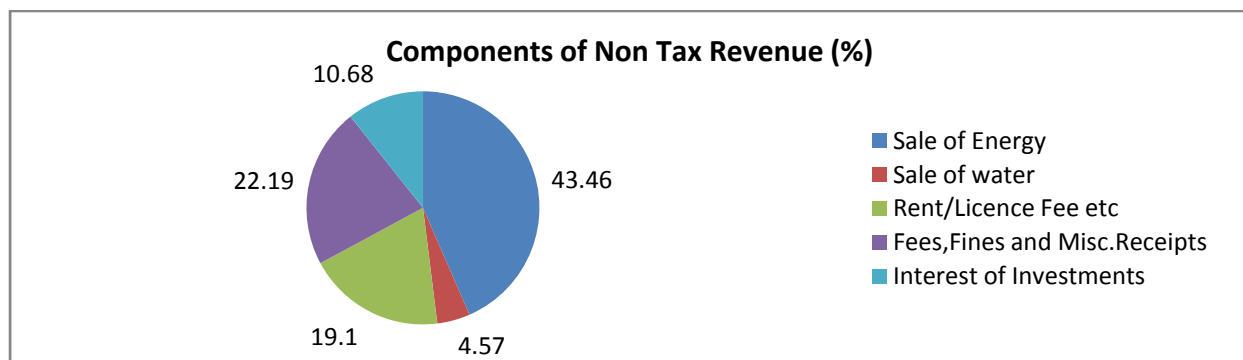
1.7.2 Composition of non-tax revenue

Growth pattern of various components of non-tax revenue over the last five years was as detailed below:

Table 1.7: Components of non-tax revenue (₹ in crore)

Components	2013-14	2012-13	2011-12	2010-11	2009-10
Sale of energy	849.46 (43.46)	785.65 (43.01)	613.64 (38.65)	505.08 (35.88)	535.84 (40.76)
Sale of water	89.28 (4.57)	92.77 (5.07)	143.51 (9.03)	78.10 (5.55)	49.23 (3.74)
Rent/licence fee and receipts from commercial activities	373.24 (19.10)	322.18 (17.65)	263.98 (16.62)	254.78 (18.10)	253.85 (19.31)
Fees, fines and misc. receipts	208.83 (10.68)	208.42 (11.41)	182.66 (11.50)	203.2 (14.43)	101.26 (7.70)
Interest on investment	433.81 (22.19)	417.56 (22.86)	384.22 (24.20)	366.55 (26.04)	374.51 (28.49)
Total	1954.63 (100.00)	1826.58 (100.00)	1588.01 (100.00)	1407.71 (100.00)	1314.69 (100.00)

Note: Figures given in brackets indicate percentage with respect to total receipts



Major sources of non-tax revenue were receipts on account of sale of energy (43.46 *per cent*), interest on investment (22.19 *per cent*) and rent/licence fee and receipts from other commercial activities (19.10 *per cent*). Receipts on account of sale of energy had been fluctuating between 35.88 and 43.46 *per cent* in terms of share of total non-tax revenue over the last five years. The increase of non-tax revenue over the last year was mainly due to increase in interest on investments, sale of energy and receipt in rent/license fee and receipt in commercial activities.

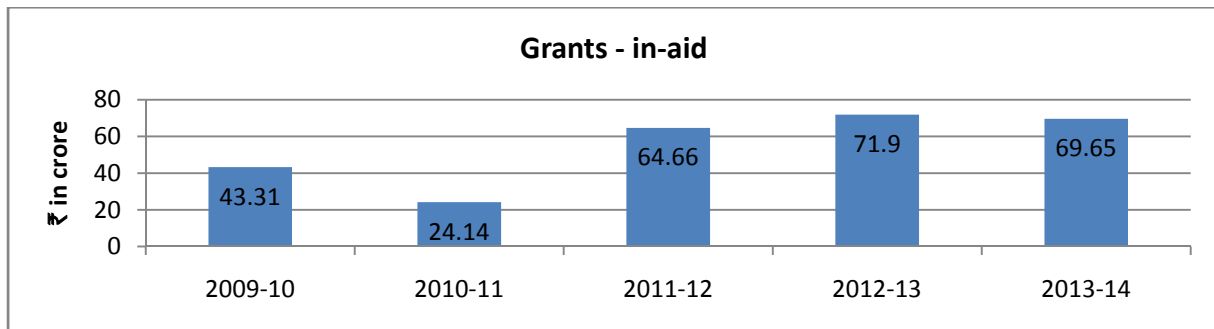
1.8 Grants-in-aid

1.8.1 Assistance from Government of NCT of Delhi

The Council receives assistance from the Government of NCT of Delhi in the form of grants-in-aid. Trend of assistance received during the last five years was as under:

Table 1.8 : Grants-in-aid (₹ in crore)

Year	Grants-in-aid	Percentage of total receipts
2013-14	69.65	2.76
2012-13	71.90	2.87
2011-12	64.66	3.04
2010-11	24.14	1.35
2009-10	43.31	2.68



1.9 Arrears of revenue receipts

Arrears of house-tax were shown as ₹846.25 crore as of March 2014 in the accounts but year-wise breakup of the arrears was not indicated. This was pointed out in earlier Audit Reports also but corrective steps were yet to be taken by the Department. For better monitoring of recovery of arrears, year-wise details of arrears are required to be maintained so that effective steps could be taken for their recovery.

1.10 Expenditure

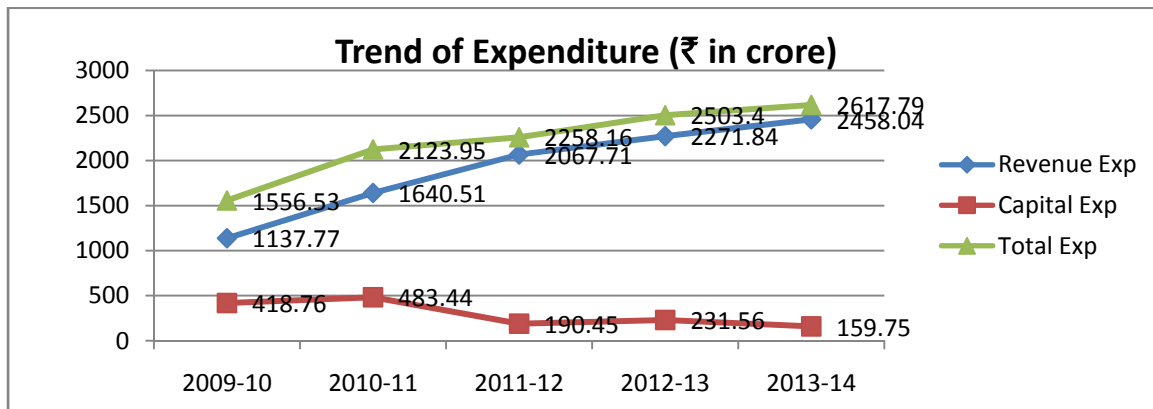
Trend of expenditure

The total expenditure denotes all expenditure both revenue and capital and disbursement of loans to NDMC employees. The Council spent a total of ₹2617.79 crore in 2013-14. The trend of expenditure during 2009-10 to 2013-14 was as shown below:

Table 1.9: Trend of expenditure

(₹ in crore)

Year	Revenue expenditure	Capital expenditure		Repayment of loans to Delhi Govt./external assistance	Payment of loans to NDMC employees	Total
		NDMC works	Deposit works			
2013-14	2458.04	159.75	0	0	0	2617.79
2012-13	2271.84	231.56	0	0	0	2503.40
2011-12	2067.71	190.45	0	0	0	2258.16
2010-11	1640.51	483.44	0	0	0	2123.95
2009-10	1137.77	418.76	Nil	Nil	Nil	1556.53



- (i) Total expenditure increased from ₹1556.53 crore in 2009-10 to ₹2617.79 crore in 2013-14. Expenditure incurred during 2013-14 increased by 4.57 per cent over the previous year.
- (ii) Capital expenditure in respect of works relating to NDMC decreased from ₹231.56 crore in 2012-13 to ₹159.75 crore in 2013-14 i.e. a decrease by 31.01 per cent in comparison to the previous year. Revenue expenditure during 2013-14 also increased by 8.19 per cent over the previous year.

1.11 Financial assistance to Non-Government Organizations

Council provides grants-in-aid to NGOs/ schools, etc. The quantum of grants-in-aid provided by NDMC to different institutions during the last five years was as under:

Table 1.10: Grants-in-aid by the Council

(₹ in lakh)

	Name of body	2013-14	2012-13	2011-12	2010-11	2009-10
1	Navyug School Society	3382.37	2904.73	2596.29	2500.14	2102.35
2	R.M. Arya Girls Primary School, No II	43.15	67.10	43.49	24.7	24.24
3	Nirmal Primary School, Kota House	88.00	74.35	84.53	53.03	55.06
4	R.M. Girls Primary School, No. I	70.00	60.92	94.10	51.3	60.38

5	Khalsa Boys Primary School	Nil	Nil	Nil	46.52	Nil
6	Social and Cultural Organization/NGOs	14.59	10.00	12.37	Nil	16.00
7	Samaj Kalyan Samiti	157.64	164.79	249.58	200.17	168.01
8	Subsidies for electric water chages for dhobi ghats	10.00	10.00	NA		
9	Nutrition – Mid day Meals	122.56	116.51			
	Total	3898.30	3408.40	3080.36	2875.86	2426.04

The grants-in-aid provided by the Council increased from ₹3408.40 lakh in 2012-13 to ₹3898.30 lakh in 2013-14.

1.12 Surplus & Reserve Funds

NDMC has various segment funds. These funds are accretions of surplus revenues within the NDMC fund as segments. The position of these funds during 2013-14 was as under:

Table 1.11 : Surplus & Reserve Funds (₹ in crore)

Sl. No.	Description	Opening Balance	Additions during the year	Total	Expenditure during the year	Closing Balance
1	Electricity Fund					
	(i) Regulatory Reserve Fund	5.00	0.00	5.00	0.00	5.00
	(ii) DRF	247.08	30.00	277.08	7.51	269.57
	Total Electricity Fund	252.08	30.00	282.08	7.51	274.57
2	Water supply & Sewerage Fund					
	(i)DRF	233.91	25.00	258.91	1.59	257.32
3	Estate Fund					
	(i) Comm. Building Fund	305.00	50.00	355.00	2.14	352.86
	(ii) Trans. Market Fund	74.27	5.50	79.77	0.45	79.32
	(iii) DRF	329.42	22.00	351.42	2.10	349.32
	(iv) Public Art Fund	5.00	0.00	5.00	0.00	5.00
	Total Estate Fund	713.70	77.50	791.20	4.70	786.50
4	Employee Fund					
	(i) Pension Fund	924.45	278.00	1202.45	209.43	993.02
	(ii) Staff Welfare Fund	10.13	5.0	15.13	3.51	11.62
	Total Employee Fund	934.58	283.00	1217.58	212.94	1004.64
5	General Fund					
	(i) Cash in Hand	173.21				142.96
	(ii) Investment General Fund	3733.94				4074.08
	Total General Fund	3907.15				4217.04
	NDMC Fund (1+2+3+4+5)	6041.43				6540.07

The budget presents three sets of figures (a) actuals for the preceding year, (b) revised estimates for the current year, and (c) budget estimates for the ensuing financial year. This section discusses the variations in different components of the finances of the Council with reference to the budgetary projections.

1.13 Analysis of budgetary projections

1.13.1 Actual collection of revenue vis-à-vis revised estimates

The actual collection of revenue receipts against revised estimates during the last five years was as under:

Table 1.12 Actual collection of revenue vis-à-vis revised estimates (₹ in crore)

Year	Revised estimates	Actual revenue receipts	Increase over RE	Percentage increase over RE
2013-14	2490.64	2524.41	33.76	1.36
2012-13	2214.56	2502.67	288.11	13.00
2011-12	1930.05	2126.18	196.13	10.16
2010-11	1918.70	1791.25	-127.45	-6.64
2009-10	1377.20	1613.68	236.48	17.17

The actual revenue receipts during 2013-14 were more than the revised estimates by ₹33.76 crore. In respect of the following 15 functions, the shortfall in receipts as compared to revised estimates ranged from 0.01 to 35.46 per cent during 2013-14:

Table 1.13: Shortfall in receipts (₹ in thousand)

Function Code	Description	R.E.	Receipts	Shortfall	% age shortfall
2	Administration	56912	48161	8750	15.38
6	Estate	4024604	3700853	323751	8
7	Stores & Purchases	29630	21807	7822	26.40
8	Workshop	3020	2449	571	18.91
21	Roads and Pavements	50973	40254	10719	21.03
24	Street Lighting	260	214	46	17.70
35	Hospital Services	3002	2797	2056	6.83
42	Public Convenience	43167	35786	7380	17.10
43	Veterinary Services	51	37	14	27.45
55	Community/Marriage Centers	43370	38965	4404	10.15
58	Municipal Markets	57205	39213	17991	31.45
61	Parks, Gardens	6822	4403	2419	35.46
71	Welfare of women	450	430	20	4.44
81	Electricity	9432561	9321844	110717	1.17
82	Education	657277	657231	450	0.01

As the revised estimates were prepared at the fag end of the financial year, massive shortfall in receipts against revised estimates indicate unrealistic budgeting.

Receipts with reference to revised estimates were higher in the following 14 cases ranging between 100.31 per cent to 406 per cent.

Table 1.14: Excess collections of receipts (₹ in thousand)

Function Code	Function Description	Revised Estimates (Revenue)	Receipts	Percentage of actual collections with reference to RE
3	Finance, Accounts, Audit	4224878	4330538	102.50
11	City and Town Planning	32179	45483	141.34
12	Building Regulation	10002	13202	131.99
14	Encroachment Removal	17605	41384	235.07
15	Trade Licence/Regulations	2000	2141	107.05
31	Public Health	5965	17179	303.24
51	Water supply	968595	971633	100.31
52	Sewerage	527130	539019	102.25
53	Fire services & isastermanagement	100	406	406
57	Amusement	24600	24936	101.36
74	Welfare of Handicapped	250	274	109.6
79	Others	820	948	115.60
91	Property taxes	4000000	4316037	107.90
99	Other Taxes	681946	706829	103.65

1.13.2 Actual collection of Tax Revenue vis-à-vis Revised Estimates

The actual collection of tax revenue vis-à-vis revised estimates during the last five years was as under:

Table 1.15: Actual collection of tax revenue vis-à-vis revised estimates (₹ in crore)

Year	Revised estimates	Actual tax revenue	Increase(+)/ decrease (-) over RE	Percentage increase(+)/ decrease (-) over RE
2013-14	468.19	500.13	31.94	06.82
2012-13	399.10	604.19	205.09	51.39
2011-12	339.49	473.51	134.02	39.48
2010-11	312.56	359.40	46.84	14.99
2009-10	278.13	255.68	-22.45	(-)8.07

There was an increase of 06.82 *per cent* during 2013-14 in the actual collection of tax revenue with reference to revised estimates.

1.13.3. Actual collection of Non-tax Revenue vis-à-vis Revised Estimates

The actual collection of non-tax revenue vis-à-vis revised estimates during the last five years was as under:

Table 1.16 : Actual collection of non-tax revenue vis-à-vis revised estimates (₹ in crore)

Year	Revised estimates	Actual non-tax revenue	Increase(+)/ decrease(-) over RE	Percentage increase (+) / decrease(-) over RE
2013-14	1951.76	1954.63	(-)2.87	(-)0.15
2012-13	1744.65	2502.68	758.03	43.45
2011-12	1527.77	1588.01	60.24	3.94
2010-11	1561.54	1407.71	(-)153.83	(-)9.85
2009-10	1055.32	1314.69	259.37	24.58

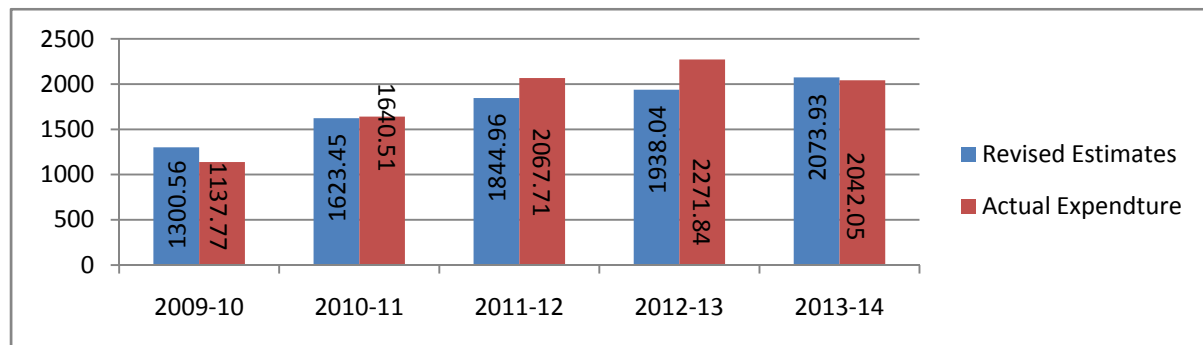
The actual non-tax revenue collections during 2013-14 were (-)0.15 *per cent* less than the revised estimates.

1.13.4 Actual expenditure vis-à-vis revised estimate (revenue)

The actual expenditure vis-à-vis revised estimates during, 2009-10, 2010-11 and 2011-2012, 2012-13 and 2013-14 was as under:

Table 1.17 Actual expenditure vis-à-vis revised estimate (revenue) (₹ in crore)

Year	Revised Estimates	Actual Expenditure	Excess(+)/ Saving(-)	Percentage
2013-14	2073.93	2042.05	31.88	1.53
2012-13	1938.04	2271.84	333.80	17.22
2011-12	1844.96	2067.71	222.75	12.07
2010-11	1623.46	1640.51	17.05	1.05
2009-10	1300.56	1137.77	-162.79	-12.52



The actual expenditure for the year 2013-14 was ₹2042.05 crore against revised estimate of ₹2073.93 crore. The expenditure for 2013-14 had thus exceeded the revised estimates by ₹31.88 crore (1.53%).

1.13.5 Savings in comparison to revised estimates

There were savings in the following 32 functions during 2013-14:

Table 1.18: Less expenditure incurred against revised estimates (₹ in thousand)

Function Code	Description	Revised Estimates	Expenditure	Shortfall	% age savings
2	Administration	7146734	6878804	267929	3.74
3	Finance, Accounts, Audit	129540	116862	12677	9.78
7	Stores & Purchase	104100.00	92183	11917	11.45
8	Workshop	89328	81936	7391	8.27
11	City and Town Planning	37042	34026	3015	8.14
12	Building Regulation	700	485	215	30.71
14	Encroachment Removal Trade	51221	46693	4527	8.84
15	Licence/Regulations	4099	3813	286	6.98
21	Roads and Pavement	512128	493667	18461	3.60
23	Subways and causeways	5700	4799	901	15.81
31	Public Health	81244	75163	6081	7.48
32	Epidemic/Prevention Control	119838	112253	7584	6.33
33	Family Planning	18275	16881	1393	7.63
34	Primary Health Care	199535	177484	22050	11.05
35	Hospital Services	381570	363906	176634	4.63
37	Vital Statistics	13274	8396	4878	36.75
41	Solid Waste Management	773186	713751	59435	7.69
43	Veterinary Services	13397	12340	1057	7.89
51	Water Supply	1122823	1121704	1119	0.09
52	Sewerage	428995	422737	6258	1.46
54	Arts & Culture	3509	2373	1136	32.37
55	Community/Marriage Centres	31390	31233	157	0.50
56	Amusement	64303	59890	4412	6.86
58	Municipal Markets	644593	623264	21329	3.31
61	Parks, Gardens	639540	596959	42581	6.66
71	Welfare of Women	21463	20410	1053	4.91
72	Welfare of Children	34586	31477	3109	0.99
73	Welfare of Aged	560	523	37	0.61
74	Welfare of Handicapped	5562	3750	1812	32.58
75	Welfare of SC/ST/OBC	1310	1308	2	0.15
79	Others	114529	98666	15862	13.85
82	Education	1234656	1143929	90727	7.35

Savings were mainly in 8 functions ranging from 11.05 % to 36.75%.

1.13.6 Excess expenditure in comparison with revised estimates

There were excess expenditure in the following eight functions during 2013-14.

Table 1.19: Excess expenditure incurred against Revised Estimates (₹ in thousand)

Function code	Description	RE	Expenditure	Excess	%age of excess expenditure over RE
1	Municipal Body	12363	13484	1121	9.07
5	Record Room	498	5381	4882	980
6	Estate	82316	527223	444907	540.48
24	Street Lighting	150991	186025	35034	23.20
25	Storm water drains	12962	13465	503	3.89
42	Public Convenience	6557	6559	2.00	0.04
53	Fire Services & Disaster Mgt.	92112	95048	2936	3.19
81	Electricity	10491135	10703454	212320	2.03

Savings were mainly in four functions ranging from 9.07% to 980%.

1.13.7 Expenditure without budget provision

In the following functions, expenditure has been booked without any provision under revised estimates for the year 2013-14:

Table 1.20: Function code wise expenditure against nil revised estimate (₹ in thousands)

Function code	Function Description	Expenditure
4	Election	43
22	Bridges and Fly overs	807
57	Museums	7084

1.14 Rush of Expenditure

As per Rule 56(3) of General Financial Rules 2005, rush of expenditure particularly in the closing months of financial year shall be regarded as a breach of financial regularity and should be avoided. Contrary to this, large expenditure was incurred in the month of March and in the last quarter of the financial year. A few instances of very large expenditure in term of percentage are given below:

Table 1.21: Rush of expenditure in March (₹ in thousands)

Function No.	Function Description	Total expenditure incurred	Expenditure in March	%age expenditure in March
2	Administration	6878804	3425931	49
6	Estate	527223	446771	84

22	Bridges and Fly overs	806	806	100
23	Subways & Causeways	4798	3909	81
42	Public Convenience	6559	3512	53
58	Municipal Markets	623264	566196	90

Table 1.22: Rush of expenditure in the last quarter (₹ in Thousand)

Function No.	Function Description	Total expenditure	Expenditure during last quarter	%age of total expenditure incurred during last quarter
2	Administration	6878804	3940924	57
12	Building Regulation	485	200	41
22	Bridges and Fly overs	807	807	100
23	Subways & Causeways	4799	3909	81
24	Street Lighting	186025	90477	48
25	Storm Water Drains	13466	8160	60
54	Arts & Culture	2374	1500	63
55	Community/Marriage Centres	31232	26898	86
56	Amusement	59891	28250	47
58	Municipal Markets	623264	570793	91
73	Welfare of Aged	523	544	103
75	Welfare of SC/ST/OBC	1309	1299	99

PART-II

1.15 DRAFT AUDIT REPORT OF THE CHIEF AUDITOR UNDER SECTION 59 OF THE NEW DELHI MUNICIPAL COUNCIL ACT, 1994 ON THE ACCOUNTS OF THE COUNCIL FOR THE YEAR ENDING ON 31 MARCH 2014.

We have audited the attached Balance Sheet as at 31 March 2014 and Income & Expenditure Statement for the year 2013-14 of the New Delhi Municipal Council (NDMC). These financial statements are the responsibility of the Management of the COUNCIL and our responsibility is to express an opinion on these financial statements based on our audit.

The audit has been conducted in accordance with the accounting principles contained in National Municipal Accounting Manual (NMAM) and the applicable rules and the auditing standards generally accepted in India. These standards require that the audit is planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that:

- i We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii The Statements of Liabilities & Assets as at 31 March 2014 and the Income & Expenditure Statement for the year 2013-14 dealt with by this report have been drawn up in the approved format as per NMAM.
- iii In our opinion, books of accounts and relevant records have been maintained by the NDMC as required under NMAM in so far as it appears from our examination of such books except as indicated in the succeeding paragraphs.

(A) STATEMENT OF LIABILITIES & ASSETS AS ON 31 MARCH 2014

I NON-DISCLOSURE OF LIABILITY IN RESPECT OF PROVIDENT FUNDS/NPS

The above statement neither included nor disclosed the related Liabilities and Assets in respect of Provident Fund and Employees/Employer's Contribution under New Pension Scheme, 2004 for which the Council is statutory liable to repay the accumulations under the respective funds to its employees at the time of their retirement/superannuation/death.

The accounts only disclose Opening balance, subscription, recoveries, cash challan, interest, advances, withdrawal, final settlement & closing balance of the GPF. It was further clarified

in the (Note 6 K) that opening & closing balance of NPS could not be provided due to non-implementation of NPS software.

The Department should make a separate account of GPF and NPS. The difference of interest payable to the subscribers and interest receivable from the investments should be ascertained and provided in the accounts.

The department stated that the relevant matter has been forwarded to fund branch and compiled final reply of ABAS is awaited.

II ADVERSE BALANCES IN HEAD OF ACCOUNTS

(i) Test check of Trial Balance for the year ended 31 March 2014 revealed that certain heads of account related to Liabilities and Assets reflect adverse balances of ₹117.31 crore & ₹926.79 crore as per Illustrated Cases given in **Annexure-I** and **Annexure-II** respectively. These need to be rectified.

(ii) LOANS, ADVANCES & DEPOSITS (SCHEDULE B-18)

The above head includes an amount of (-) ₹46.59 crore shown as Deposits with External Agencies (Account Code 46060). As the deposit cannot be minus figure, this need to be reviewed and rectified.

(iii) Adverse Balance of Stock in hand Apart from the above, under the code of account "4301036-Stock in Hand: Electric Meters" there was adverse balance of ₹1000868.00 as on 31 March 2014.

This issue was raised in Audit last year also and the department had assured to correct adverse balances while finalizing the Annual Accounts for the year 2013-14. The adverse balances are, however, still persisting.

The Department while stating that adverse balances were being carried over from year to year since 2004-05 onwards and maximum accounting rectifications as compared to the previous years have been made, assured (March 2015) to set right the adverse balances in the accounts for the year 2014-15.

III NON-PREPARATION OF SCHEDULES IN PROFORMA(S) PRESCRIBED IN NMAM

The following Schedules attached to and forming part of Balance Sheet for the year ended 2013-14, were not prepared as per proforma(s) prescribed in NMAM:

- (i) Schedule B-12: Investment – General Fund [Code 420]
- (ii) Schedule B-13: Investment – Other Funds [Code-421]
- (iii) Schedule B-15: Sundry Debtors (Receivables) [Code-431]

This issue was raised Audit last year also. On being pointed out in Audit, 7 out of 10 schedules have been prepared as per NMAM. However, the above three schedules are not as per the requirement of NMAM.

The Department assured (March 2015) that necessary steps would be taken for development of schedule in the system and till then the schedules would be prepared manually and would be attached with accounts 2014-15.

A.I. LIABILITIES

A. Municipal General Fund (Schedule B-1) - ₹4784.45 crore

There was an excess provision of ₹714.44 crore as against the budgeted estimations of ₹4070.01 crore as which needs to be reviewed.

Clarification from the Department is awaited.

B. Special Fund/Earmarked fund (Schedule B-2)

NDMC had collected ₹2.00 crore and ₹0.86 crore during the year 2013-14 on account of additional FAR and Mixed use conversion charges (one time parking development charges) respectively. The amount have been booked under the revenue receipt head "1401504" and "1401502" respectively which should have been booked under the liability head "3111202" till a separate Escrow account is opened in compliance of stipulation of Delhi Building By laws and Development Regulations.

Reply is awaited from the department.

C. Other Liabilities- Sundry Creditors - ₹24.78 crore (Schedule B-9)

(i) (Other Liabilities include Statutory deductions of ₹3.72 crore under Code of Account "3502005-Income Tax Deducted at Source" and ₹1.29 crore under Code of Account "3502006-VAT" as on 31 March 2014. The deductions made under above mentioned code of accounts had not been remitted to the concerned authorities. As the delayed remittances may attract penalties by concerned tax authorities, the tax liabilities may further increase.

This issue was raised in Audit last year also and the department had assured to sort out the issue and to do the needful from the accounts for the year 2013-14.

The Department assured (March 2015) that special efforts would be made at the time of finalizing of accounts for the year 2014-15 to rectify the balances of income tax, Vat, Cess and other deposits.

(ii) Age-wise break up (less than 3 year and more than 3 years) of security deposits amounting to ₹182.17crore has not been disclosed in the schedule (B-7). Security deposits which are more than three years old are required to be transferred to the lapse deposit Account.

The Department admitted (March 2015) that age wise break up of security deposit is not being maintained presently and assured to transfer such amounts to the lapsed deposits for the year 2014-15.

(iii) The NDMC purchases electricity & water in bulk for distribution to its consumers.

NDMC had purchased electricity in bulk from NTPC during the month of March 2014 valuing ₹57.15 crore (after adjustment of cash discount ₹1.20 crore for early payment) which was paid in April 2014. As no provision was made on this account for the year 2013-14, liability for bulk electricity charges payable (HOA: 3508006) was understated to this extent.

The department (March 2015) had forwarded the observation to Power Branch and compliance is awaited from concerned department.

A.II. ASSETS

I. FIXED ASSETS (Schedule B-11& B-11b)

(i) PHYSICAL VERIFICATION

The Audit has asked to provide physical verification reports/ sheets of various fixed assets maintained in NDMC and if any discrepancies noticed, remedial steps taken thereof.

This issue was raised in Audit last year also. The department vide Notes to accounts 2013-14 had mentioned that the process of physical verification of all the fixed assets is not yet completed.

The Department stated (March 2015) that movable assets inventories were physically verified as per arrangement in the respective division. The certification of shortages/excesses was invariably recorded by the verifier of assets in the asset register.

The disclosure as per notes to accounts and department's reply is contradictory, which needs clarification.

(ii) NDMC purchased two plots of land in 1996 and 2001 for a sum of ₹4.94 crore in Dwarka and Saket respectively. The allotment at Dwarka was, however, cancelled in April 2012. On scrutiny of Fixed Land Asset Register maintained by ABAS, it was observed that these transactions had not been reflected in the books of accounts. The Fixed Asset Register needed to be reviewed and updated which has not been done.

This issue was raised in Audit last year also.

Notes to accounts 2013-14 disclose that this could not be accounted for due to non-modification of accounting software.

The department may take necessary action to modify software.

(iii) **Capital work in progress (Schedule B-11(b))** – Same amount have been carried forward from previous year(s) for 419 works valuing ₹475.26crore (**Annexure-III**) which indicate that these works have already been completed. Further, out of 419 works, a test check of 46 works, amounting to ₹63.01 crore (**Annexure-IV**) executed by 07 different Divisions revealed that these had been completed and their final payments have been made resulting thereby, under statement of capital assets and overstatement of work in progress.

These should have been capitalized and depreciation at the prescribed rates should have been worked out and charged to the Income & Expenditure accounts.

This issue was raised in Audit last year also.

The Department assured to take efforts to transfer the accounts to completed works during the finalization of Accounts of 2014-15.

A.III. CURRENT ASSETS & LOANS, ADVANCES AND DEPOSITS

I CASH AND BANK BALANCE (Schedule B-17)

(1) Bank Reconciliation Statement: As per para 30.5 of New Delhi Municipal Accounting Manual, the Cash and Bank Balance is required to be reconciled on monthly basis by the first week of the following month.

The Bank balance as per Cash book as on 31.03.2014 was ₹143,17,35,252.37/- and after reconciliation it works out to ₹86,59,65,831/- (**Annexure-V**)

The major pending differences shown in Bank Reconciliation Statement of March 2014 are as under:

(a) Credits not afforded by the Bank for cheques & cash deposited

An amount of ₹159.94 crore was pending for adjustment on account of cheques & cash deposited between April 2005 and March 2014 but credit not afforded by the State Bank.

(b) Adjustment pending since 2005

An amount of ₹23208535.13 (₹2.32 crore) as on 31st March 2014 has been shown pending for adjustments regarding cheques issued prior to April 2005.

(c) Excess debit given by the Bank

An amount of ₹222649172.00 (₹22.26 crore) was pending for adjustment on account of excess debit afforded by the bank.

(d) Excess credit afforded by the Bank

An amount of ₹522335017.77 (₹52.23 crore) was pending for adjustment on account of excess credit afforded by the bank pertaining to the accounting year 2005 to 2014.

(e) Cheques issued but not encashed till March 2014

An amount of ₹455544401.94 (₹45.55 crore) was pending on account of Cheques issued pertaining to the accounting year 2005 to 2014 but not encashed till March 2014.

(f) Bank charges

An amount of ₹26,20,995.87 (₹26.20 lakh) were charged by the bank on account of dishonoured/returned unpaid cheques/cheque book & other charges but not taken in cash book till March 2014.

(g) Miscellaneous items

i) An amount of ₹64,23,50,869/- (₹64.24 crore) was unadjusted on account of minus entry, excess fund, difference between cash tally & cash book etc. till March 2014.

ii) An amount of ₹52,07,65,072.38 (₹52.08 crore) were unadjusted on account of untraced fund, less credit given by Axis Bank, balance fund clearing, etc. till March 2014.

(h) As per details exhibited in schedule B-17 (Balance Sheet) closing balance with nationalized banks as on 31.03.2014 was ₹(-)80,98,47,985.92/- whereas as per Bank reconciliation for the same period shows the closing balance at ₹86,59,65,831.65/- .

Thus, due to inappropriate efforts to adjust these outstanding transactions shown in the bank reconciliation statement pertaining to the current and previous accounting years, the Income & Expenditure as well as Assets and Liabilities of the NDMC did not show the true and fair view.

The Department had forwarded (March 2015) the observation to BRU and compliance is awaited.

(2) Difference in closing balance of cash

As per Schedule B-17, Cash & Bank balance shown in NDMC Account 2013-14 was ₹143,19,05,937.26 whereas as per Cash book ₹143,17,35,252.37/- leaving a difference of ₹ (-)1,70,684.89/-

The Department stated (March 2015) that difference in closing balance of Cash was due to adjustments entries. The adjustment upto June 2014 has already been made in the cash book in the month of July 2014.

The reply is not tenable as the necessary adjustment for difference of ₹(-)1,70,684.89/- was required to be carried out in 2013-14 accounts itself.

Revenue Income and Expenditure

Revenue Grants contributions and subsidies (Schedule I-15):

No Utilization certificate in respect of ₹38.98 crore was furnished/ shown to audit. In the absence of which, the legitimacy of the expenditure charged could not be verified in audit.

Reply is awaited from the department

COMMENTS ON NOTES TO ACCOUNTS (SCHEDULE B-22)

Notes to Accounts in Schedule B-22 of the Balance Sheet for the year 2013-14 revealed the following shortcomings:

Valuation of fixed assets at nominal value

As per Notes to Accounts, assets existing prior to 01.01.2004 for which the information has been received in the current year have been accounted for by making necessary adjustment both in fixed assets as well as corresponding capital reserve at the nominal value of ₹1/-. As on the date of balance sheet the fixed Assets included the following assets valued at ₹1/-.

Table 1.23

Code of Account	Account Name	No. of Assets	Amount (in ₹)
4101099	Land	1111	1111
4102099	Buildings	735	735
4103099	Road Bridges	312	312
4103199	Sewerage and Drainage	1281	1281
4103299	Water Ways	680	680
4103399	Public Lighting	38954	38954
4104099	Plant Machinery	1456268	1456268
4105099	Vehicles	354	354
4106099	Office and Other Equipments	893	893
4107099	Furniture Fixtures	29837	29837
4108099	Other Fixed Assets	149010	149010

This issue of valuing the assets at ₹1 instead of actual value was raised in Audit last year also. The Department disclosed vide its notes to accounts that the assets shall be continued to be shown at a nominal value of ₹1/- till these are revalued.

GENERAL

Some other issues noticed in audit which also requires the attention of the concerned authorities:

(a) As per para No.21.18 of NDMC accounts manual, register of Immovable & moveable Property and Public Lighting System shall be maintained in Form GEN-30, GEN-31 and GEN-36 respectively.

During the exit conference in June 2014 the Department had assured to maintain the asset registers.

In this context, the department was asked to confirm whether the concerned divisions are maintaining the fixed asset registers in the prescribed format, however, the information is awaited.

(b) As per para 16.38(f) of NMAM read with para 29.3(iii) (j) of NDMC Accounts Manual, cash available with the various Departments shall be physically verified by the Head of the Accounts Department on quarterly basis and tally it with the departmental records maintained there vis-à-vis with the register of Advances (Form GEN-16) maintained at the Accounts Department. But the same is not being done.

(c) The physical verification reports in respect of the stores/consumables as on 31.03.2014 called for in Audit were not provided.

The department assured (March 2015) that certificate regarding physical verification would be shown to audit along with Annual accounts 2014-15.

(d) Schedule B-14 Eleven items valuing ₹4.44 crore did not move during the period April 2010 to March 2014. It needs to be verified whether these are in useable condition, if not, necessary provisions needs to be made. **(Annexure-VI)**.

The department stated (March 2015) that necessary correction would be carried out while finalization of NDMC accounts 2014-15.

(e) There was difference in function wise balances computed as per monthly accounts and annual accounts for the year 2013-14, as detailed below:-

S.NO.	Particulars	Amount commuted as per monthly accounts (12 months)	Amount as per annual accounts(function wise ledger report)	Difference
1.	Total revenue receipt	24931594	25244075	312481
2.	Total revenue expenditure	24580472	24575504	4968
3.	Total Capital receipt/liability	3954099	3954099	--
4.	Total Capital expenditure/assets	6304036	4925165	1378871

Reason for the differences was awaited in audit.

(f) As per the chart of accounts the following accounts heads will not have balance at the end of the year, but the heads are showing closing balances at the end of the year March 2014.

- 350-11-46 - "Payment control account of cash branch".
- 350-20-11 - "Misc. Recovery of CBS".
- 470-10-01 - "Other Assets-Deposit Works Civil".
- 470-10-02 - "Other Assets-Deposit Works Electrical".
- 431-80-05 - "Receivable control accounts-Licence fee from NDMC properties".

This issue was raised in Audit last year also and the Department had assured to make necessary rectification while finalizing the accounts for 2013-14. However, no action has been taken in this regard.

The Department stated (March 2015) that the adverse Balances being carried over from year to year from 2004-05 onwards were due to the fact that either chart of accounts of function code had not been selected properly. The necessary accounting rectifications would be carried out to set right the adverse balance in the accounts of 2014-15 and the same would be rectified in the year 2015-16.

The department should fix some timeline for rectification of such mistakes.

DISCLAIMER All the facts/figures in the report are based on the information supplied by the Accounts Department and that Audit Department is not responsible for any discrepancy in this regard.

PART-III**1.16 Follow up of Audit Reports**

Status of Paragraphs of Annual Audit Reports and Local Audit Reports outstanding for want of satisfactory Replies/Actions Taken Notes are detailed in the tables given below:

Annual Audit Reports**Table No.1.25**

Department	Opening Balance as on 1-7-2014	Addition	Total	Settled/ Transferred	Closing Balance as on February 2015
(a)	(b)	(c)	(d)	(e)	(f) = (d-e)
Finance & Accounts	07	01	08	Nil	08
Estate-I	05	03	08	01	07
Estate-II	01	02	03	Nil	03
Property Tax Enforcement	12	01	13	01	12
	18	02	20	02	18
Horticulture	01	Nil	01	Nil	01
Civil Engineering	06	03	09	Nil	09
Electricity	10	Nil	10	05	05
Commercial	03	01	04	Nil	04
Personnel	01	01	02	Nil	02
Architect & Environs	07	Nil	07	Nil	07
Public Health	08	02	10	03	07
Education	04	Nil	04	Nil	04
Navodya School Education Society	02	Nil	02	02	Nil
Information Technology	02	Nil	02	Nil	02
Municipal Housing	04	Nil	04	Nil	04
Total	91	16	107	14	93

LOCAL AUDIT REPORTS**Table No.1.26**

S.No.	Name of Department	No. of outstanding paras as on 01/07/2014	No. of Paras added upto 28/ 02/2015	Total (c + d)	No. of Paras settled/ included upto 01/03/2015	No. of Paras remained outstanding
(a)	(b)	(c)	(d)	(e)	(f)	[e - f]
01.	Accounts & Finance	423	9	432	12	420
02.	Architect & Environment	131	-	131	--	--
03.	Civil Engineering	1628	133	1761	22	1739
04.	Commercial	119	--	119	48	71
05.	Education	1844	101	1945	262	1683
06.	Electricity	1553	70	1623	24	1599
07.	Enforcement	82	--	82	2	80
08.	Estate	232	17	249	3	246
09.	Fire	97	--	97	--	97
10.	General Administration	243	8	251	--	251
11.	Medical Services/Public Health	795	26	821	312	509
12.	Horticulture	104	11	115	29	86
13.	Property Tax	114	18	132	11	121
14.	Information Technology	76	--	76	--	76
15.	Law	28	8	36	--	36
16.	Personnel	544	24	568	1	567
17.	Public Relations	122	-	122	--	122
18.	Security	118	6	124	---	124
19.	Welfare	846	47	893	39	854
20.	Project	9	3	12	-	12
	Total	9108	481	9589	765	8693

CHAPTER - 2

Civil and Electrical Engineering Department

Performance Audit Report of Contract Management in the Civil and Electrical Engineering Departments in NDMC

2 Introduction

2.1.1 NDMC gets the construction works and other ancillary services done mostly through award of contracts. We had highlighted many issues in the transaction audits carried out in the past. A gist of the recurring audit issues highlighted in the Annual Audit Reports for the year ended March 2007 to March 2011 on contracts relating to works services in NDMC is given in the **Annexure-VII**. Considering the sizeable number of the audit observations, we undertook a Performance Audit of the contracts concluded during the years 2010-14. The results of the Performance Audit are narrated in the succeeding paragraphs.

2.1.2 Executive structure/ institutional design

Under Section 18 of the NDMC Act, the entire executive power for the purpose of carrying out the provisions of the Act, vest in the Chairperson. The Chairperson in turn delegates financial powers to the officers of Civil/ Electrical Engineering Department insofar as they relate to work services.

The Engineer-in-Chief (E-in-C) at the apex is the head of the Civil/Electrical Engineering Departments. However, when there is no E-in-C in position, the Secretary exercises the powers delegated to the E-in-C.

The Chief Engineers (CE) Civil-I, Civil-II, Civil-III and Electricity-I and II heads the respective departments and undertake the original¹ as well as repair/maintenance of roads, buildings, water supply and electrical works in respect of the respective departments allocated to them. Superintending Engineers (SE) at Circle level and Executive Engineers (EE) at Divisional level functioning under the CEs are the authorities for ensuring efficient functioning and delivery of the services assigned to them in their allocated areas/fields. Quality control is ensured by the EEs-in-charge of the Quality Control and Technical Audit (QCTA) and reports to the SE (QCTA).

¹ Original works mean: (i) all new constructions, (ii) all types of additions, alterations and/or special repairs to newly acquired assets, abandoned or damaged assets that are required to make them workable. (iii) major replacements or remodelling of a portion of an existing structure or installation or other works, which results in a genuine increase in the life and value of the property.

2.1.3 Scope of audit

The audit covered contracts concluded by the Civil/Electrical Engineering Departments during the years 2010-11 to 2013-14. The audit involved an examination of the background papers for sanction of the works and examination of the evaluation system to ascertain the level of satisfaction of the works executed.

2.1.4 Audit criteria

The sources of criteria for evaluation of contracts management are:

- (i) NDMC Act;
- (ii) GFR;
- (iii) CPWD Works Manual;
- (iv) Delegation of Financial Powers;
- (v) National Municipal Accounts Manual;
- (vi) Guidelines issued by CVC;
- (vii) Decisions of Council meetings; and
- (viii) All other applicable rules, orders in force.

2.1.5 Audit objectives

The objectives of the Performance Audit were to examine whether:

- (i) NDMC has an efficient and effective organisation for undertaking the work services;
- (ii) NDMC has a properly laid down procedure to plan, estimate, sanction and execute the work services;
- (iii) the system was designed for efficient, effective and economic contract management;
- (iv) all applicable rules and CVC guidelines are scrupulously adhered to: and
- (v) there is an effective monitoring system for ensuring quality of the works, their timely completion and the level of user satisfaction.

2.1.6 Audit methodology

The Performance Audit was taken up by three audit parties each deployed for building, roads and electrical divisions. While all the divisions in civil (excluding special projects), and roads were brought in the ambit of the performance audit, in the case of the electricity department, only 12² of the 19 divisions were covered in audit.

The contracts were selected on the basis of stratified sampling and 376 of the total of 2136 contracts were audited, besides undertaking a general review of the agreement registers in each division. However, a few contracts could not be audited due to non-availability of the files with the Divisions concerned as these were reportedly submitted to higher authorities for sanction of extension of time, deviation, etc. A list of the files that were unavailable for audit in the Civil Department is given in **Annexure-VIII**.

² EE 33 KV Stores, 11 KV Stores, C-III, C-IV, C-VI, BM-I, BM-II, Road light, Maintenance North, 33 KV Maintenance, Water supply and Sewerage maintenance

Audit requisitions and observations were issued to the EEs concerned for obtaining their views before including in this report. Replies wherever received have been incorporated in this report.

2.1.7 Audit findings

We noted that the recurring audit observations highlighted in the earlier Audit Reports such as lapse of tenders due to their non-acceptance before expiry of bid validity and extra expenditure due to acceptance of the higher bids received in the subsequent tendering had considerably been reduced, which is an improvement in the system. However, system improvement is required in many areas as it emerged from the findings of the current performance audit which are reported hereunder.

2.2 CONSTRUCTION - CIVIL

2.2.1 Creation and continuation of divisions without workload

There were three Construction Divisions, viz. C-I, C-III and C-VI during the period, 2010-13. We observed that barring C-III Division, C-I and C-VI had absolutely no work on hand for the whole three years.

C-III division had 18 contracts with a budget outlay of ₹24.84 crore.

C-I had awarded one contract (Agreement No 1 of 2010-11) for establishing an electric sub-station behind Hanuman Mandir, which could not be commenced due to protests from the residents of the area. Similarly, C-VI had only a consultancy contract for construction of a 250 bedded hospital at Moti Bagh, which did not make any headway. The expenditure incurred by the division (C-I) during the three year period was ₹60.5 lakh. Subsequently, in June 2013, C-I and C-VI were merged.

This, however, did not justify the continuation of the divisions without adequate workload for three years.

The division stated (November 2013) that it had two arbitration cases and had called for four tenders (during 2013-14) of which one had been awarded indicating insufficient workload.

2.2.2 Premature demolition and re-construction of Type-I flats at Bapu Dham

(a) NDMC had to prematurely demolish 288 Type - I flats which were built during 1969 at Bapu Dham due to structural failure noticed during 1995-96. Although the building was expected to last for 75 years, due to the damages, a proposal was made to demolish the buildings and to construct new buildings of 336 Type-I by the Civil Engineering Department. Administrative approval and expenditure sanction (AA and ES) of the Council for a reduced number of 296 flats was obtained vide Council Resolution No.29 (A-96) of 30-9-2009. The work was awarded to M/s Kamala Construction Co. (later taken over by M/s. Kamladityya Construction Pvt. Ltd.) vide

Agreement No. 4/ EE C-III/AB/2010-11 for ₹39.55 crore and is scheduled for completion by December 2014.

- (b) The work is being executed in three phases, of which first phase and 50 percent of the second phase has been completed. The overall progress is 60 percent up to end September 2013. As per the prescribed milestones indicated in the contract, 75 percent of the work is to be completed by January 2014 but could only be completed by June 2015 at an extra cost of ₹6.15 crore. The final payment for the work has not yet been released.
- (c) The contract for the consultancy for the structural design of this work was awarded to M/s. Swati Structure Solutions Pvt. Ltd. for an amount of ₹17 lakh which was 94.80% below the estimate prepared before the invitation of tender. Keeping in view of the past history of structural failure that necessitated premature demolition of the buildings at just above 50 percent of their life, the acceptance of such abnormally low rate required extra caution, which was not evident in the instant case.

Recommendation

Extra care and caution is required in selection of consultants for structural design of buildings, particularly in the backdrop of the premature structural failure experienced in the Bapu Dham housing complex.

2.2.3 Award of consultancy contracts at freakishly low rates

Scrutiny of the Agreement Register maintained by CE-III Division showed that during the year 2010-11, two consultancy contracts were awarded to M/s Swati Structure Solutions Pvt. Ltd. as under:

Sl. No.	Agreement No.	Nature of work	Estimated amount (in ₹)	Tender amount (in ₹)	Percentage of tender amount below the estimated cost
1	1/EE(C-III)/2010-11	Consultancy (Structure design and supervision) Construction of 296 type-I flats	3.27 crore	0.17 crore	94.80
2	3/EE(C-III) 2010-11	Consultancy for construction of Service Centre at Fire Brigade lane	37.51 lakh	5.25 lakh	86.01

The low percentage of the tender value as accepted indicates that either the estimation of cost of work before issue of notice inviting tender (NIT) was on very high side or the scope and work content of the consultancy was compromised. Also, the scope of consultancy work includes supervision of the construction work till physical completion, though the construction work is supervised by the Engineers of the NDMC.

Recommendation

NDMC may devise guidelines for accurate estimation of works and market rates before award consultancy contracts.

2.3 Building Maintenance - Civil

During the period under audit, four building maintenance divisions existed. The work profile of these divisions was as under:

Division	Area of jurisdiction	Total number of contracts during 2010-13	Value of the contracts awarded (₹ in crore)
BM-I	Area bounded by Panchkuian Road Upper Ridge Road Sardar Patel Marg, Willingdon Crescent, Sansad Marg, Connaught Place	245	19.29
BM-II	Area bounded by Lodi Road, Teen Murthi Marg, Willingdon Crescent, Sardar Patel Marg, Ring Road, Nauroji Nagar, Safdar Jung Hospital, AIIMS, Kidwai Nagar, Aurobindo Marg, Lodhi Colony and Lodhi Road.	250	12.38
BM-III	Area bounded by Panchkuian, Basant Lane, Railway Line, Mathura Road, Safdar Jung Road, Teen Murthi Marg, South Avenue, Dalhousie Road, Rafi Marg, Sansad Marg, Connaught Place and Panchkuian Road.	191	11.00
BM-PK	Area bounded by, Sansad Marg, Connaught Place, Shankar Market, Babar Road, Bhagwan Dass Lane, Sanglimess, Jor Bagh, Aliganj, Humayun Lane and Jaisingh Road.	245	23.84
Total		931	66.51

Audit findings in respect of the works undertaken by the above maintenance divisions are given hereunder.

2.3.1 Delay in firming up the requirements

During scrutiny of papers in respect of the works undertaken for improvement of housing colonies of NDMC under building maintenance (BM) divisions, it was seen that works for improvement of the housing colonies were initiated following requests from the Residents' Welfare Associations (RWAs) and / or on the basis of inspection by the engineers. It was also observed that the user requirements and the work content kept changing very frequently delaying the initiation of the works. This is clearly evident from the following:

- (i) Improvement to Palika Niketan Housing Complex, Sector-10, R.K. Puram (Agreement No. 78/EE BM-II/2010-11 with M/s. Bhasin Construction Co.) initiated by BM-II Division in October 2005 with an estimated cost of ₹13.43 lakh was finally sanctioned in May 2010 as given in the table below:

Analysis of delay

Date	Action
October 2005	Based on request of the residents to repair damaged the external plaster, the A.E. proposed repairs at an estimated cost of ₹13.43 lakh.
November 2006	P.E. revised to ₹24.62 lakh due to increase in cost of work (cost escalation of ₹11.19 lakh – means 83 percent increase attributable to delay).
April 2007	2nd revision of PE to ₹49.15 lakh, due to increase in scope of work i.e. addition of grit wash plastering.
May 2007	3rd revision of P.E. to ₹1.88 crore due to addition of the work for replacement of G.I. Pipes, Flooring etc.
April 2008	4th revision to ₹2.03 crore. due to adoption of DSR – 2007.
April 2010	5th revision to ₹2.12 crore. due to modification of the P.E.
May 2010	Council approved the work.
July 2010	Detailed estimate for ₹2.18 crore
July 2010	N.I.T. ₹2.12 crore.
October 2010	Council approved award of Contract for ₹2.29 crore to the Contractor viz. M/s Bhasin Construction Co.
December 2011	The work commenced in December 2011 was scheduled for completion in December 2012.
September 2015	The work is still in progress (98 percent) due to dispute with the Contractor.

Thus the work initiated in October 2005 with the intention of repairing the external plaster of the blocks at an estimated cost of ₹13.43 lakh increased to ₹2.29 crore with significant change in scope of work at various stages.

- (ii) In BM-I, the contracts awarded for improvement works are indicated in **Annexure-IX**. Unlike BM-II, the BM-I got the works sanctioned at greater speed. However, contract for the work of constructing Rain Water Harvesting Structure in NDMC area under BM-I Division awarded to M/s. R C L Developers Ltd. in December 2012 for completion by September 2013 at a cost of ₹31.17 lakh did not progress because of non-approval to the design. Since design is to be made prior to the issue of tenders, the bottleneck after award of the work was unjustifiable.

Recommendations

NDMC needs to frame and adhere to timelines for each stage of pre-contractual activity.

Norms for providing authorized items of works in residential complexes need to be fixed and the procedure for acceptance of necessity and sanction of works should be streamlined. Instead of the present practice of user driven initiation of improvement work, the engineers' inspection as required under Para 6.6.1 of the CPWD Works Manual, life of the structure, history of the improvement works earlier undertaken, etc should be the guiding factors for initiation of such work.

2.3.2 Material changes in scope of work after award of contract and associated irregularities

The CPWD Works Manual prescribes different stages of control in planning and execution of works. These include preparation of preliminary estimates for obtaining administrative approval/expenditure sanction, detailed estimates for technical sanction, schedule of quantities for issue of NIT, etc. These rigors were prescribed for ensuring execution of works in a fair and technically competent manner without compromising quality of work and economy in expenditure. The system thus provides for level playing field to the tenderers to quote rates as per the frozen requirement that is advertised. Despite all these controls, there can still be situations that demand changes in the works that are contracted. Provision of additional, substituted and extra items is catered for in the system to meet such contingencies. Substitution, additional and extra items are to be exceptions rather than rule. In the course of audit of the contracts, it was seen that the provision of additional, extra and substituted items was **made as a rule rather than exception and such changes led to irregularities as explained in the cases mentioned below:**

(i) In the contract for improvement to Palika Niketan Housing Complex, Sector-10, R.K. Puram referred to in paragraph 7.2.1 additional items of work were got executed for a total cost of ₹51 lakh without obtaining Approval in Principle beforehand as required under CPWD Works Manual.

(ii) In the improvement to Charak Palika Hospital Housing Complex (Agreement No. 3/EE BM-II/2011-12) during the execution of the work, additional / extra / substituted items amounting to ₹28.49 lakh were executed and the work got actually completed on 03.08.2012 which is an indication of not firming up the requirements before award of the contract. In the course of execution of work, the SE recommended substitution of washed stone grit plaster with washed marble chipping grit plaster on external walls which involved an extra expenditure of ₹3.20 lakh. Provision of external finish with marble chips is also not as per the norms prescribed in CE (C-II) Circular No. 1814/SE(BM) dated 15.9.2008.

(iii) Contract agreement No 27/EE (BM PK) /AB/ 2010-11 was awarded to M/s. Trimurti Construction in June 2010 for providing inter alia washed stone grit plaster to the Babar Road School. However, in July 2010, i.e., immediately after the award of the contract, the EE BM-PK reported the need for changing the scope of work to provision of washed marble grit, citing the reason that the Dy. Chief Architect had decided to adopt the same pattern of marble grit wash plaster as adopted for in the Laxmi Bai Nagar Navyug School in all the NDMC schools. The EE therefore proposed to substitute the stone grit with marble grit at an estimated cost of ₹3,99,835/- and sought approval in principle (AIP) for the same. Though AIP was not granted by the SE/CE, the work was got executed by the EE and eventually in September 2012, the Engineering Department got sanction of the Chairperson for the final cost of ₹11.47 Lakhs against the sanction of ₹8.67 lakhs. The expenditure had thus exceeded

even the permissible limit of 10% of the AA/ES without obtaining prior sanction, which was irregular.

(iv) A work for improvement to M&CWC, Sarojini Nagar (Agreement No. 61/BM-II/2010-11) was awarded to M/s. Navin Kumar Gupta for a tendered amount of ₹26.60 lakh against sanctioned amount of ₹28.01 lakh. The file relating to this work was not available with the Division as it was reportedly with the Vigilance since substantial amount of extra/additional work had been ordered and executed under this contract without obtaining approval in principle.

(v) The Agreement No.24/EE-BM-PK/AB/2010-11 with M/s. Deep Construction for structural rehabilitation and facade restoration of MS Flats at Aliganj (85 Type-II flats) for a tendered amount of ₹36.65 lakhs included provision of external plastering with stone grit wash covering an area of 8653 sq mtr. After award of the contract in June 2010, the EE BM-PK proposed to substitute the external plastering with white marble wash, on the plea that the Dy. Chief Architect had decided to provide marble stone grit plaster. The work was actually got completed even without getting approval in principle of the competent authority. The revised sanction of the competent financial authority was also not obtained. The work executed at a completion cost of ₹46.89 lakh was finally ratified by granting sanction by the Chairperson in June 2012. While approving the excess expenditure of ₹13.73 lakh over the initially approved amount of ₹33.16 lakh, the Chairperson had ordered that issues such as the requirement of stone grit or marble grit should be decided in advance and not at execution stage. The orders of the Chairperson were required to be circulated amongst all the Maintenance Divisions for compliance. However, no such circular was found on the file.

The total area for external plastering as indicated in the contract and paid for the dismantling of old plaster was 8653 sq mtr. However, payment for marble wash plaster was made for a total area of 10212 sq mtr., 9822 sq mtr. without Jasalmer yellow stone and 390 sq mtr with Jasalmer yellow stone at the rate of ₹390.76 per sq mtr. and ₹399.96 per sq mtr. respectively. Since the surface area of the building is constant, the payment for increased area could not be explained by the Department.

Also as payment for the substituted items is made on the basis of market rates, the benefit of securing competitive rates is lost in such cases. It was seen that similar work executed under the contract agreement number 27/EE BM-PK/AB/2010-11 was paid for at the rate of ₹374.29 per sq mtr as against ₹390.76 per sq mtr. The extra expenditure on account of this difference in the rate alone for an area of 9822 sq mtr under the subject contract was ₹1.62 lakh.

Extra work of replacement of GI pipes was got executed in the work awarded under Contract No.30/EE/BMPK/2012-13 for improvement of Palika Kunj Housing Complex at Karbala in the course of execution of the work without obtaining AIP of the competent authority. The cost

of extra work and certain additional works so executed was ₹7.67 lakh and sanction was finally granted in September 2013 by the CE. The codal provisions for obtaining prior approval were not followed by the EE, despite the earlier directions of the Chairperson to avoid such situations. Although the old GI pipes removed was only 852.03 mtr. as seen from the Deviation/Completion statement, the length of new GI pipes provided and paid for (total amount paid was ₹3.35 lakh) was 1431.45 mtr. The increase in the length of the new GI pipes (1431.45 mtr) as against the old pipes (852.03 mtr) to be replaced has not been explained in the statement submitted by the EE. Credit for the dismantled old pipes was also not obtained from the contractor, though the removed GI pipes has scrap value.

2.3.3 Tailoring of justified rates

The total number of contracts awarded by EE, BM-I Division during the year 2010-11, 2011-12 and 2012-13 was as under:-

Year	No. if Agreements
2010-11	88
2011-12	107
2012-13	50

Analysis of the tenders received in the above cases showed that the percentage quoted by the lowest tenderer varied between 51.51% below and 148% above the estimated cost during these years. The rates received in these tenders were adjudged reasonable based on justification of rates prepared after receipt of the tenders and the contracts were awarded. The broad range of the tenders is as given in the table below:-

Year	L-1 quoted percentage (+) above, (-) below the estimates					Total number of contracts
	At par	Upto 10 percent (+)/(-)	> 10 percent to 25 percent	> 25 percent to 50 percent	>50 percent	
2010-11	1	+ 27 - 18	+ 11 - 8	+ 8 - 14	+ 1	88
2011-12	1	+ 46 - 13	+ 3 - 17	+ 9 - 16	+ 2	107
2012-13	1	+ 11 - 5	+ 0 - 9	+ 0 - 21	0 - 3	50
Total	3	+ 84 - 36	+ 14 - 34	+ 17 - 51	+ 3 - 3	+ 118 - 124 At par 3 = 245

Procedure outlined in Para 20.4.3 of CPWD Works Manual makes it mandatory for the tender accepting authority to satisfy himself of the reasonability of rates on the basis of justified rates. Para 20.4.3.2 specify that variation upto 5% may be ignored, while variation upto 10 percent may be allowed for peculiar circumstances, by recording the reasons thereof. It was seen that despite huge variation between the estimate made before issue of tender notice and tendered rate, **the justified rates assessed after receipt of tenders are invariably worked out in such a way that the variation is brought within the tolerance limit prescribed in Para 20.4.3.2.** The tenders are thus accepted. The justified rates are assessed by the Junior/Asstt. Engineers/Head Draftsman/Chief Estimator after ascertaining market

rates, which are approved by the EE/Approving authority. Despite the vast difference ranging upto 148% above the estimates, the justified rates become nearly equal to the tendered (L-1) rates. There is nothing on record to show as to whether the approving authority makes an independent market assessment to test whether the lower functionaries were correctly assessing the prevailing market rates. Similar practice existed in B.M-II. This is a very clear evidence of tailoring the justified rates to suit the tendered rate.

Independent enquiries yield fruitful results as evident from the case of procurement of playing equipment (non-scheduled item) in Children Park at PSOI which was contracted under Agreement No.58 of 2012-13 where an independent enquiry by the Head Draftsman of Planning Division had established that the preliminary estimate prepared by the B.M-III Division had been higher by 25% compared to the market rate.

In contrast, BM-III has a seemingly good practice of getting the justification of rates immediately after issue of NIT, before opening of tenders. This is likely to make the justified rates a fair representation of the market rates, rather than getting influenced by the rates obtained in the tenders, besides saving time.

Recommendation

The market rates adopted by the divisions for preparation of preliminary estimates of non-scheduled items and for assessing the justified rates may be got verified at random by an authority independent of the division that proposes the cases for approval. Justified rates needs to be prepared before opening of tenders.

2.3.4 Irregularity in rejection of tender

In the case of work for improvement to Palika Gram Housing Complex, Sarojini Nagar, the L-1 tender (₹97.42 lakh) of M/s Bhasin Construction received in June 2012 was rejected in November 2012 by the Chief Engineer considering the poor performance of the contractor in the Sector-10 R.K. Puram work and also false claims made about the works done for Delhi Cantonment and MES, while submitting the tender. The rejection of tender after opening of the price bid was in contravention of Para 15.7.1.1 of CPWD Works Manual which stipulates that eligibility related documents shall be evaluated and parties qualified/disqualified by the competent authority. Financial bids of the qualified tenderers shall then be opened at notified time. The disqualification of the tenderer is avoidable as it leads to legal hassles and allegations after opening of the financial bids.

It was seen from the pre-contract papers relating to the Agreement No.47 of 2011-12 that the tender of M/s. Precise Construction was rejected on the ground that the firm had not submitted bidding capacity. The valid quote ₹25.01 lakhs of the competing firm viz., M/s. Manish Builders was rejected being single tender. Subsequently, the rate (₹26.25 lakhs) received from M/s. Precise Construction was accepted and the work was awarded to the M/s. Precise Construction. The rejection of the earlier tender of

M/s. Precise Construction on the ground on non-submission of bidding capacity was also not in order since the firm had executed similar work and had in response to a request made by the BM-III Division on 14.12.2010 stated that the bidding capacity will be given by Shri C. Sridharan Naidu, who was authorized for this purpose. The whole purpose of rejecting the tender was to cause a situation of single tender so that the firm offering L1 rates could be rejected.

2.3.5 Piece-meal sanction of extra/substituted/additional items

The divisions split up the extra/additional/substituted items for the purpose of sanction under the limits of the delegated powers of each authority, instead of seeking the sanction of the authority empowered to sanction the entire amount. A few cases are illustrated below:

(i) In the contract for construction of porta-cabins in NDMC colonies awarded to M/s. K.R. Anand, under agreement No 3/EE-C-III/AB/2012-13, extra/additional items for ₹4.83 lakhs were proposed for sanction by the EE-C-III in July 2013. The proposed amount for sanction was split between the EE and SE as under:

Under EE's powers	In ₹
Extra item statement (EIS) No.I	52,894
Additional quantity statement (AQS) No. I	40,468
Sub-total	93,362
Under SE's powers	
EIS No. II	2,27,496
AQS No. II	1,61,903
Sub-total	3,89,399

The amount finally sanctioned by the SE under EIS-No II was ₹2.19 lakhs i.e., with a marginal reduction in the proposed amount of ₹2.27 lakhs. Thus the total amount of EIS/AQS sanctioned was ₹4.74 lakhs.

(ii) Another example is the work for improvement to Housing Complex at Vinay Marg awarded vide Agreement No.45/EE BM-II/2011-2012). Additional/extra items for ₹1.33 lakh executed were sanctioned as under:

Total additional/extra items	-	₹1.33 lakh
Approved by E.E.		
(i) Additional quantity	-	₹16,839/-
(ii) Extra items	-	₹18,060/-
Approved by S.E.		
(i) Additional quantity	-	₹48,343/-
(ii) Extra items	-	₹49,461/-

The entire amount should have been approved by the CE.

(iii) In the course of execution of the work for additional room with toilet at Satya Sadan by BM-III, additional items at an estimated amount of ₹1.56 lakh was sanctioned as sought by the EE BM-III and approved by the EE, SE and the CE in November 2011 as under :-

AQS No.1 for ₹19,300/-	-	EE, BM-III
AQS No.2 for ₹47,000/-	-	SE, BM-II
AQS No.3 for ₹89,500/-	-	CE, C-II

Similar cases of irregular splitting were seen in other divisions too. No reply has been received.

2.3.6 Delay in completion due to unauthorised constructions.

The contractor could not complete the work at Lal Bahadur Sadan Complex awarded vide Agreement No.2/EE(BM-I)/AB/2010-2011, because of the hindrance caused by the residents who had unauthorizedly built new rooms to their flats in the ground floor. The Contractor could not erect scaffolding due to this hindrance. Although the existence of such unauthorized structures could have been detected before awarding the work, the engineers confirmed that clear site was available for execution of the work.

In the work executed under Agreement No 24/EE- BM-PK/AB/2010-11 with M/s. Deep Construction for structural rehabilitation and facade restoration of MS Flats at Aliganj an amount of ₹3.66 lakhs that had been withheld from the contractor for the delay in completion of the work. This was subsequently released on the ground that the delay was on account of non-availability of clear site, attributable to the construction of additional rooms by the occupants. The reasons why the construction of additional rooms could not be detected before award of contract were not clear.

The work for laying ceramic glazed floor and wall tiles in Palika Kunj Housing Complex (32 Type-I and 55 Type-II flats) was awarded under Agreement No.30/EE-BM-PK/AB/2012-13 to M/s. A.K. Builders at a tendered cost of ₹40.37 lakh for commencement in 25 May 2012 and completion on 25 September 2012. The work was reportedly completed on 30 October 2012. Extension of time on the ground that the delay of 38 days was on account of non-availability of cement in NDMC Stores was granted without levy of compensation. It was however, seen that the contractor had in May 2013 applied for additional extension of time for on account of the slow progress attributable to non-availability of vacant site.

This was not considered by the EE and the work was declared to have been completed on 30 October 2012. The manner in which it was reported that the work had been completed on 30 October 2012, when the contractor himself had sought additional extension of time in May 2013 is not clear. No penalty was imposed on the residents, who had caused delay in completion of the work.

Recommendation

The engineers in charge responsible for half yearly inspection of buildings under their charge should look for unauthorised structures and initiate action for their demolition, besides imposing penalty on the allottees responsible for such unauthorised constructions.

2.3.7 Splitting of Contracts

BM-II concluded 157 contracts out of 250 contracts by bringing it under the limit of ₹2 lakh. It is noteworthy that when the financial powers of the E.E. were enhanced in April 2012 to ₹4 lakh, the number of contracts awarded within the enhanced limit increased from 4/5 contracts in the previous years to 52 in 2012-13. The percentage of contracts awarded under delegated powers was as high as 89 percent of the total contracts awarded during the year.

1. Cases of splitting of works are illustrated below:-
 - a. Waterproofing of roof of N.P. School No.1 at Netaji Nagar was undertaken under 3 contracts, Agreement No.71 of 2010-11 (DE ₹1.89 lakh), Agreement No.20 of 2010-11 (DE ₹1.72 lakh) and 21 of 2010-11 (DE ₹1.72 lakh)
2. Items which are not in the nature of repair/maintenance were getting executed under AR/MO as illustrated below:-
 - b. Improvement to Flat No.1, Palika Kutumb, Sardar Patel Marg (Agreement No. 57/EE BM-II/2011-12):- The resident of Flat No.1, Palika Kutumb requested the CE in March 2012 to undertake repairs to stop leakage of bathroom fittings and repair of wooden cupboard. The EE undertook improvement work such as change of tiles, WC, emulsion painting, MS cupboard and almirah at a cost of ₹1.26 lakh against a sanction of ₹1.99 lakh. Although the work was in the nature of improvement, the expenditure was met from the A/R & M/O budget.
 - c. Provision of Garage in Flat No.2/4(V), Palika Vihar, Willingdon Crescent Road (Agreement No.72/EE BM-II/2010-11):- A new garage was provided to the Flat at a cost of ₹90,373/- under A/R & M/O though it is not in the nature of repair and maintenance work. Execution of original works under AR/MO was irregular as the expenditure so incurred does not get capitalized.
 - d. Stainless Steel benches were provided at Yashwant Place Market under agreement No.15 of 2012-13 on the basis of request from shopkeepers at a sanctioned cost of ₹1.71 lakh. The work was executed at a cost of ₹1.04 lakh by including an extra item of partition of toilets which was not envisaged while awarding the contract.

Distemping, painting, whitewashing and other such periodical services can be estimated in advance and grouped for the purpose of awarding contracts. Yet, 18 contracts were concluded during 2010-11, 13 during 2011-12 and 16 during 2012-13 and 20 in 2013 -2014 for these works in different buildings. The buildings **should** have been grouped for getting

such periodical services done through one contract for the benefit of getting best competitive rates and to avoid processing multiple files in the division.

Recommendation

Since considerable administrative efforts, time, cost and gargantuan paperwork are involved in processing of increasing number of tenders and contracts, efforts should be made to group routine works like whitewash/paint etc. the works with the objective of minimizing the number of contracts and securing better rates and quality control of the works executed. This will also ensure the compliance with codal formalities. Improvements and new (original) work should not be undertaken under AR/MO fund.

2.3.8 Non-observance of contractual provisions and ambiguities in contracts

A few instances of non-observance of contractual provisions, as seen during audit, are mentioned below:-

(i) Performance Gaurantee/EMD deposits not obtained in Consultancy contracts.

In the case of consultancy agreements referred to in paragraph 7.1.3 concluded by C-III, it was seen that no Earnest Money Deposit (EMD), Security Deposit (SD) or Performance Guarantee (PG) was obtained from the tenderers/contractors. No governing rules that permitted exemption of the consultancy contractors from the purview of obtaining EMD/SD/PG was made available to Audit.

(ii) Cost of testing being reimbursed

The scrutiny of the running account (RA) bills in respect of the contract No.4/EEC-III/AB/2010-11 so far (September 2013) paid indicated that **the contractor was being reimbursed the cost of testing, whereas clause 10A of the agreement stipulated that the testing charges unless otherwise specified shall be borne by the contractor.** The exception was the cost of random testing of steel by the engineer-in-charge. However, the contractor has been paid ₹1.26 lakh on this account as of September 2013, which was extra-contractual.

(iii) Violation of Labour Laws

Lapses in obtaining Fortnightly Labour Reports

Based on the clause 19 of the Contract No.25/EE(BM-I)/AB/2011-12, the contractor M/s. Mathra Dass Ahuja & Sons had obtained licence under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 for employment of 28 workmen from 30.01.2013 for a period of one year. It is however seen that the contractor had employed workmen for the fortnight ending 31.12.2012, 15.01.2013 and 31.03.2013 as per the Fortnightly Labour Report submitted to the EE alongwith the first RA Bill for ₹23.99 lakhs. The employment of workmen before obtaining mandatory licence was an infringement of clause No. 19 of the contract which stipulates that the contractor shall obtain a valid licence under the said Act before commencement of the work.

(a) The wordings in the contract that “any failure to comply with the requirement shall attract penal provisions of this contract arising out of the resultant non-execution of the work”, was ambiguous. Since the terms of the contract should be clear and free from mis-interpretation, the relevant clause should be strictly and specifically worded.

(b) In the case of construction of Type-I Flats at Babu Dham the Fortnightly Labour Reports for the months of July 2011 to January 2012 were submitted by the contractor in one lot on 14.02.2012. Fortnightly Labour Reports were not found with the bills relating to the work of Structural rehabilitation and façade restoration of MS Flats at Aliganj, undertaken by M/s. Deep Construction under Agreement No.24/EE/BM PK/AB-2010-11.

Clause 45 of the Contract for works and other services stipulate that **security deposit of the work shall not be refunded till the contractor produces a clearance certificate from the Labour Officer**. As soon as the work is virtually complete, the contractor shall apply for clearance certificate to the Labour Officer under intimation to Engineer-in-charge (EE). The EE on receipt of the said communication shall write to the Labour Officer to intimate if any complaint is pending against the contractor in respect of the work. If no complaint is pending on record till after 3 months after completion of work and/or no communication is received from the Labour Officer to this effect till six months after the date of completion, it will be deemed to have received the clearance certificate and the security deposit will be released if otherwise due. **The necessity of getting clearance certificate from the Labour Officer or writing to the Labour Officer was not being followed in any of the cases of refund of security deposit.**

Clause 31A of the contract is an enabling provision to provide water to the contractor by the department where water is available and to recover water charges at the rate of 1% of the work done. **Water charges are not being recovered from the contractor even where water is available as in the case of contracts for cleaning of toilets.**

As per Regulation 5 (x) and (xi) of the Contractor’s Labour Regulation which forms part of the bid document and ipso facto the contract, it shall be the duty of the contractor to ensure the disbursements of wages in the presence of the JE or any authorised representative of the EE who will be required to be present the place and time of disbursement of wages by the contractor to the workmen. **In the wage disbursement sheet submitted by the contractors, alongwith the bill, there was no indication/certificate that the disbursements were made in the presence of the JE nominated by the EE.**

While preparing the Analysis of Rates for estimation of cost involved in the contracts, element of EPF has been taken in the wages of workmen of the contractor @ 13.75% of the minimum wages. **However, it has been seen during scrutiny of contracts of housekeeping jobs where labour component is about 90 percent of the contractual value that there is no mechanism to ensure that employer has contributed towards EPF while paying wages. It is**

also seen that the contractor has mentioned 'Nil' recovery in EPF contribution in the wage sheets.

Under Clause 10 I of a contract, reimbursement can be made to a contractor due to increase caused as a direct result of coming into force of any fresh law or statutory rule or order in the price of material incorporated in the works and/or wages of labour increased over prices/wages prevailing at the time of the last stipulated date of receipt of tender. As per Para 33.8 of CPWD Works Manual, the component of labour for any work has to be predetermined and incorporated in Schedule 'F' of the contract and the increase/decrease in labour shall be considered on the minimum daily wages in Rupees of any unskilled adult mazdoor, fixed under any law or statutory rule or order. However, this condition of pre-determining the labour component was not being followed and as and when claims for compensation for increase in wages is received payment is regulated as per analysis of rates based on Delhi Schedule of Rates taking into effect the difference in wages of all category of labours instead of the difference in wages of unskilled adult mazdoor. This has the effect of giving extra benefit to the contractor as evident from the following contract.

(a) Agreement No. 3/BM-II/11-12 for improvement of Charak Palika Hospital Complex at Moti Bagh

As per clause 10 C of the contract, the labour component of the work shall be the percentage as specified in Schedule F of the value of the work done. However, the Schedule F did not specify the labour component. In the absence of indication of the labour component in Schedule F the payment under clause 10 C of the contract was made on the basis of analysis of rates based on Delhi Schedule of Rates. The contractor was paid ₹3.65 lakh under clause 10 C of the contract. However, the contractor had given an affidavit that a sum of ₹2.95 lakh had been paid towards wages. The payment of ₹3.65 lakh towards increase in wages did not therefore compare favourably with the amount indicated in the affidavit.

(b) Agreement No. 68/BM-II/10-11 for improvement to Palika Milan Housing Complex at S.P. Marg

As per clause 10 C of the contract, the labour component of the work shall be the percentage as specified in Schedule F of the value of the work done. However, the Schedule F did not specify the labour component. In the absence of indication of the labour component in Schedule F the payment under clause 10 C of the contract was made on the basis of analysis of rates based on Delhi Schedule of Rates. The contractor was paid ₹4.84 lakh under clause 10 C of the contract. However, the contractor had given an affidavit that a sum of ₹3.90 lakh had been paid towards wages. The payment of ₹4.84 lakh towards increase in wages did not therefore compare favourably with the amount indicated in the affidavit.

2.3.9 Non-maintenance of mandatory registers

Substantial amount (₹62.18 crore) was spent on additions/ special repairs and improvement works on the buildings in the BM Divisions, during 2010-13. Such works add to the capital value of the buildings/assets of NDMC. In the absence of the Building Register, the additions to capital value of the building get unaccounted. As mentioned in Para 6.5 of the CPWD Works Manual, “every Division should maintain a Register of Buildings upto date. The EE should certify to that effect that at the end of every financial year after ensuring that necessary additions in the cost and structures are made upto date”. **In the absence of Building Register the quantity of work to be done is based on the data furnished by the J.E. concerned, with no means for verification of the quantity of work involved. Further the recent up-gradations go unnoticed while taking up further improvement works.**

The cost of improvement work does not get capitalized, despite substantial expenditure incurred on improvement work.

Section 10.1 of CPWD Works Manual prescribes the necessity of maintaining a consolidated record of all the bills received from the sub-divisions in receipt of works/supplies received in one register known as Register of Bills in the Divisional Office. This is intended to ensure fair deal in processing of bills. Divisions have not been maintaining such a register. In the absence of the consolidated bill register, it was not possible to ensure that receipt, processing and payment of bills were being regulated in an orderly manner.

As per section 10.2 of the CPWD works Manual, the accounts relating to contracts/supplies should be kept in CPWA Form 43 in a bound book known as Contractor’s Ledger. A personal ledger has to be opened in the ledger for every contractor. Such registers were not being maintained. In the absence of Contractor’s Ledger the payments made to a Contractor could not be assessed.

Recommendation

Property (Building) Register should be maintained as required under Para 6.5 of CPWD Works Manual by the Divisions concerned and the original cost and additions to capital value of the properties consequent upon the improvement/ additions are to be accounted for.

All other mandated registers should be maintained.

Stores Division – Civil

2.3.10 Procurement of building materials / allied stores

(a) The total purchase of stores by EE (Stores) during the year 2010-13 was ₹14.70 crore, i.e. an average annual expenditure of about ₹5 crore. The stores (cement, steel, GI pipes, bitumen, etc) on DGS&D Rate Contract (RC) are indented against such RCs. For the remaining item the EE (Stores) had concluded 113 contracts by issuing 99 NITs during the three year period. Since the annual forecast requirements are estimated well in advance of the financial

year and got approved by the competent authority, the requirements could have been advertised in one lot or a few manageable lots instead of multiplying the efforts through issue of a large number of NITs. In such cases, in order to avoid overstocking or to prevent stocking of short shelf life items, the contracts can be worded in such a way that the items on order are to be delivered in convenient batches, spread over the entire period depending on the building/maintenance season.

(b) Of the 113 contracts, 38 contracts (34 percent) were awarded to M/s. Kishori Lal & Sons. As per Para 37.3 (5) of CPWD Works Manual, quotations or tender should be invited preferably from manufacturers directly. In case manufacturers are not willing to supply the materials, quotation/tenders can be invited from the authorized dealers. During the scrutiny of agreements (contract) files, it was not clear as to whether efforts were made to make purchases direct from the manufacturers. As per the invoice, M/s. Kishori Lal & Sons claims to be manufacturers' representative. It, however, did not indicate as to whether they were the authorized dealers. Copy of dealership certificates from M/s. Kishori Lal & Sons in respect of the items supplied to NDMC though called for verification in audit were not made available.

(c) The tendered rates (L-1) received in response to the NITs varied between (-) 94% and (+) 197.34% over the estimated cost arrived at before issue of tenders. Of the 113 contracts, 33 contracts were awarded even when the tendered (L-1) rates were more than 10 percent of the estimated cost. As per CPWD Works Manual, variation upto 5% of justified rates can be ignored and upto 10 percent can be accepted in peculiar circumstances. It was observed that the rates received in L-1 quotes despite being much higher than the estimate made by the EE before issue of tenders, were accepted by tailoring the justified rates to suit the L-1 rates. A few glaring instances of irregularities in arriving at the justified rates are given below to buttress the audit conclusion that the rates were tailored:

(d) In the contract No.2/EE (Stores)/2011-12, awarded for transportation of 8000 MT cement from Shakur Basti RS to NDMC Store, estimates were made for ₹18.35 lakh @ ₹290/- per MT. The single bid received from M/s. Lal Singh Yadav amounted to ₹30.40 lakh @ ₹380 per MT. While making the justification, using the prescribed formula $(8/(2L/S)+1)$ where L = lead in Km and S = speed per hour), **the Division took the lead as 44 KM whereas it should have been taken as 22 KM.** Due to this irregularity, the number of trips were reduced from 3.02 to 1.88 and it resulted in higher rate justification. Similarly, the consumption of Diesel and M. Oil were correspondingly enhanced.

(e) In the contract No.18/EE(Stores)/10-11 for supply and stacking of Jamuna sand, the Division made justification on the basis of market rate obtained for Jamuna sand (DSR Item). The estimate made by the Division before issue of the NIT was ₹262.44 per cubic metre, derived from the DSR 2007. The L-1 rate received was ₹499 cubic metre

(90.13%above). The justified rate was worked as ₹499.10 per cubic metre (90.18 % above), implying that the rates were enhanced to facilitate the acceptance of the L1 rate.

(f) While justifying the rates, the Division adds contractors' profit component @ 15% over and above the rates received in quotations. In the supply of stores, adding contractors' profit over the quoted rates is not appropriate as the rates in the quotations received include the profit component. The Division agreed to note the audit observation for future compliance.

Recommendation

The practice of placing multiple orders for purchase of building material needs to be changed. Rate contract valid for one year may be concluded. Purchases need to be made from the manufacturers/authorised dealers, rather than from suppliers/traders of building materials.

ROAD DIVISIONS

2.4 Introduction

The Road Maintenance Divisions of NDMC are responsible for maintenance of roads, lanes and sub-lanes under the jurisdiction of NDMC area. Services are provided in emergent basis and as per requirement and circumstances. Road Maintenance Divisions viz., R-I, R-II, R-III, R-IV, R-V and Riding Quality Improvement Programme (RIP) are responsible for maintenance of all roads falling under the jurisdiction of NDMC.

Financial Outlay

Budget estimates/revised estimate and actual expenditure (Capital) for the period 2010-2013 in respect of the Road Divisions are detailed below.

		2010-11		(₹ in thousand)	
Name of the Division	Budget Estimate	Revised Estimate	Actual Expenses	Saving (-) Excess (+)	Percentage of saving/excess
	1	2	3	4	5
Road-I	244500	177761	133896	-43865	24.68
Road-II	336350	508325	373505	-134820	26.53
Road-III	301933	327650	291403	-36247	11.10
Road-IV	352000	404800	291553	-113247	28.00
Road-V	207100	181100	124274	-56826	31.40
RIP	1168000	0	320627	+320627	100.00

2011-12

(₹ in thousand)

Name of the Division	Budget Estimate	Revised Estimate	Actual Expenses	Saving (-) Excess (+)	Percentage of saving/excess
	1	2	3	4	5
Road-I	116500	78295	48859	-29436	37.60
Road-II	218250	205740	181921	-23819	11.58
Road-III	243089	424765	351829	-72936	11.18
Road-IV	100794	131300	75929	-55371	42.18
Road-V	139700	105551	94620	-10931	10.36
RIP	220000	0	30915	+30915	100.00

2012-13

(₹ in thousand)

Name of the Division	Budget Estimate	Revised Estimate	Actual Expenses	Saving (-) Excess (+)	Percentage of saving/excess
	1	2	3	4	5
Road-I	793000	59852	75177	+15325	25.60
Road-II	136321	109121	147735	+38614	35.39
Road-III	259501	230633	347802	+117169	50.80
Road-IV	89800	101950	144219	+42269	41.46
Road-V	93300	60760	63082	+2322	3.82
RIP	36000	11600	16800	+5200	44.82

2013-14

(₹ in thousand)

Name of the Division	Budget Estimate	Revised Estimate	Actual Expenses	Saving (-) Excess (+)	Percentage of saving/excess
	1	2	3	4	5
Road-I	55308	58952	57080	-1872	3.18
Road-II	165967	172832	119174	-53658	31.05
Road-III	-	28691	17479	11212	39.08
Road-IV	27168	36602	24391	-12211	33.36
Road-V	36560	39806	39564	-242	0.61

- As could be seen from the tables above, there was no relation between the budget estimates/revised estimates and actual expenditure during the review period 2010 to 2013.
- Huge savings were found in all the divisions (R-I to R-V) during the period 2010-11 to 2012-13 ranging from 10.36% to 42.18%.
- The major excess expenditures were noticed in the above divisions during the period 2010-13 ranging from 3.82% to 100%.
- RIP Division had not made budget in the year 2010-11 but expenses incurred of ₹32.06 crore and also budget not made for next year (2011-12) and expenses incurred of ₹3.09 crore which reflects budget was not made on realistic basis.

Huge savings and excess expenditures as shown in the above tables indicate lack of proper planning and poor administrative and financial control at the time of preparing of budget estimates/revised estimates.

Efforts, thus, need to be made in future to prepare realistic budget and adhere to the budgetary provisions in accordance to the clause 47.4 of CPWD Works Manual 2012. Further, during the course of the financial year, if, it finds that the expenditure under some of the heads is likely to be less than the provisions in the budget due to any reasons, it should be surrendered timely as per clause 48.1 of CPWD Works Manual 2012. No savings are to be held in reserve for meeting possible excesses in future.

2.4.1 Non-observance of codal provisions approved in the NIT

Test check in audit of tender files of different projects/works executed by Road Division of NDMC revealed that codal provisions as stipulated in NIT/Agreement were not adhered to in the cases discussed below:-

- (1) In following seven cases NDMC paid ₹8.60 lakh to third party quality teams for the check which was to be actually paid by the contractor according to the NIT.

Sr. No.	Name of work	Name of contractor	Estimated/ Tendered Cost	Condition of NIT	Remarks
1	Road –V Div. Improvement and upgradation of colony roads back lane taken from CPWD in Sector I & III DIZ area, Gole Mkt., New Delhi	M/s. Sanjeev Kumar Brothers	₹5.74 Crore	As per special condition No.34 of the contract, the third party quality check, if desired by the NDMC shall be carried out by reputed agency, firm of State Government/Central Government/Public Sector Undertaking/Private Sector as appointed by the NDMC. The decision shall be binding on both the parties. Cost of this testing will be paid by the contractor.	It was revealed that the department did not adhere to the condition No. 34 of the agreement and made the payment of ₹6.34 lakhs/- from the NDMC funds to the Central Road Research Institute for the third party quality check & the said amount was not recovered the contractor.
2	Road –V Div. Improvement to Shivaji Stadium Bus Terminal	M/s. Sanjeev Kumar Brothers	₹77.34 lakh	As per special condition No. 34 of the contract, the third party quality check, if desired by the NDMC shall be carried out by reputed agency, firm of State Government/Central Government/Public Sector Undertaking/Private Sector as appointed by the NDMC. The decision shall be binding on both the parties. Cost of this testing will be paid by the contractor	It was revealed that the department did not adhere to the condition No.34 of the agreement and made the payment of ₹5309/- from the NDMC funds to the Delhi Technology University for the third party quality check & the said amount was not recovered the contractor.

3.	Road-II Div Improvement of existing footpath at II and III avenue Lodhi Colony		₹56.05 lakh	As per special condition No. 01 of the contract, "the third party quality assurance, samples as per CPWD specification shall got tested from CRRI/or any other Govt. approved organization who will come collect the sample in presence of engineer-in-charge and agency. The result achieved shall be final binding for both the parties. The action for poor result if any shall be taken as per provisions of contract. Nothing extra would be paid to contractor. Entire expenses would be borne by the contractor for testing charges & other expenses required"	It was revealed that the department did not adhere to the condition No.1 of the agreement and made the payment of ₹33,091/- from the NDMC funds to the CRRI for the third party quality check & the said amount was not recovered the contractor.
4.	Road –I Div. Improvement to remaining existing parks in Bapa Nagar, New Delhi taken from CPWD	M/s. Vijay Tyagi	₹31.17 lakh	As per clause 10A of the agreement, the contractor shall, at his risk and cost, make all arrangements and shall provide all facilities as the Engineer-in-charge may require for collecting, and preparing the required number of samples for each tests at such time and to such place or places as may be directed by the Engineer-in-charge and bear all charges cost of testing unless specifically provided for otherwise elsewhere in the contract or specifications. The Engineer-in-charge or his authorized representative shall at all times have access to the works and to all workshops and places where work is being prepared or from where materials, manufactured articles or machinery are being obtained for the works and the contractor shall afford every facility and every assistance in obtaining the right to such access	It was revealed that payment amounting to ₹33,091/- was made to the contractor on account of testing charges which was a violation of the said clause. This expenditure was to borne by the contractor as per the agreement.
5	Road –II Div. Improvement Development of site for Disaster management control centre .External Lighting	M/s. R.K. Jain & sons Hospitality pvt.Ltd	₹93.10 lakh	As per clause 10A of the agreement, the contractor shall, at his risk and cost, make all arrangements and shall provide all facilities as the Engineer-in-charge may require for collecting, and preparing the required number of samples for each tests at such time and to such place or places as may be directed by the Engineer-in-charge and bear all charges cost of testing unless specifically provided for otherwise elsewhere in the contract or specifications. The Engineer-in-charge or his authorized representative shall at all times have access to the works and to all workshops and places where work is being prepared or from where materials, manufactured articles or machinery are being obtained for the works and the contractor shall afford every facility and every assistance in obtaining the right to such access	It was revealed that payment amounting to ₹22,060/- was made to the contractor on account of testing charges which was violation of the said clause. This expenditure was to borne by the contractor as per the agreement
6.	Road-I Div Realignment of footpath and development of parking space around Shankar	M/s. Vijay Tyagi	₹31 lakh	As per special condition No.29 of the contract, the third party quality team approved by NDMC/Engineer-in-Charge will collect the sample necessary material in the presence of the contractor or his representation and test result shall be acceptable and bindings upon	It was revealed that payment amounting to ₹7444/- (Rupees Seven Thousand Four Hundred Forty Four only) was made to the contractor on account of testing charges which was a violation

	Market New Delhi			both the parties. Nothing extra to be paid to contractor entire expenses would be born by the contractor for testing charges including all other expenses required.	of the said clause. This expenditure was to borne by the contractor as per the agreement
7.	Road –IV Improvement of parks in D-I, D-II flats, CPWD Colony in Chankya Puri	Vishesh Builders	₹1.19 crore	As per special condition No.35 of the contract, the third party quality check, if desired by the NDMC shall be carried out by reputed agency, firm of State Government/Central Government/Public Sector Undertaking/Private Sector as appointed by the NDMC. The decision shall be binding on both the parties. Cost of this testing will be paid by the contractor.	It was revealed that the department did not adhered to the condition No.35 of the agreement and made the payment of ₹45443/- from the NDMC Funds to the Delhi Technology University for the third party quality check and the said amount was not recovered from the contractor.

(II) In following four cases, experience certificates were not submitted alongwith tender documents, yet the tender was accepted which was irregular.

Sr. No.	Name of work	Name of contractor	Estimated/ Tendered Cost	Condition of NIT	Audit observations
1.	Resurfacing of lanes of colonies in R-I Division	M/s. Chaudhary Construction Company	₹2.66 crore	As per para 2 of eligibility criteria of NIT the contractor should have successfully completed according to following work experiences:-	It was noticed that the eligibility criteria submitted by the concerned contractor was not fulfilled the prescribed condition of the NIT even though the department had awarded the work without justification of the approved condition.
2.	Improvement to parks in D-I, D-II flats, CPWD Colony in Chankya Puri-R-IV division	Vishesh Builders	₹1.07 crore	Table 3. Three similar works costing not less than 40% of the Estimated Cost. Or Table 4. Two similar works each costing not less than 50% of the estimated cost. Or Table 5. One similar works costing not less than 80% of the estimated cost. Or 1. Similar works shall mean works of S/R of roads using Hot Mix Technology (Dense bituminous Macadam/Dense bituminous concrete/SDBC.) (for work mentioned at S.No-1) 2. Similar works means the	

				works of building construction, boundary wall & railing works. (for work mentioned at S.No-2) 3 Similar works means, construction of ready mix cement concrete Road. R-V division. (for work mentioned at S.No-3)	
3.	Improvement and upgradation of colony road back lane taken over from CPWD in Sec.-5 R-V-Division	Sanjeev Kumar & Brothers	₹5.75 crore	1. Similar works shall mean works of S/R of roads using Hot Mix Technology (Dense bituminous Macadam/Dense bituminous concrete/SDBC.) (for work mentioned at S.No-1) 2. Similar works means the works of building construction, boundary wall & railing works. (for work mentioned at S.No-2) 3. Similar works means, construction of ready mix cement concrete Road. R-V division.(for work mentioned at S.No-3)	The experience certificate submitted by the contractor for the one similar work was only 33% of the estimated cost instead of 80% of estimated cost as mentioned in NIT. It has been noticed that the eligibility criteria submitted by the concerned contractor was not fulfilled the prescribed condition of the NIT even though the department had awarded the work without justification of the approved condition in NIT.
4.	Construction of cement concrete pavement for lanes colonies of Sec-II DIZ Area	H.R. Builders	₹8.61 crore	1. Three similar work each not less than ₹3.92 crore 2. Two similar work each not less than ₹4.90 crore. 3. One similar work each not less than ₹7.84 crore in last 7 years. Similar work means laying of ready mix concrete in roads, bridges and pavement.	One work construction of 04 nos. building block for commission agents shops, whole seller shop, whole seller shops, including internal electrification sewer line, storm water line, water supply & Road works by P/L, RMC at fruit, vegetable and food grain market, IFC, Gazipur ₹24.15 crore. The experience certificate submitted by the contractor indicate the maximum portion of work related to the construction of building blocks. The portion of road works was not indicated in the experience certificate.

(III) In following three cases the registration certificate of service tax department was not submitted along with the tender documents. Even so, the tenders were accepted.

Sr. No.	Name of work	Name of contractor	Estimated/ Tendered Cost	Condition of NIT	Audit observations
1.	Maintenance of underground pedestrian walkway under R-I Division	M/s. R.K. Jain & Sons Hospitality Services (P) Ltd.	₹24.68 lakh	1. As per para 2.1(f) of the approved NIT, the bidder should be registered with service tax department (attach copy of Registration Certificate)	1. The contractor had not submitted the copy of registration certificate of Service Tax Department while submitting the tender documents according to provision of the NIT
2.	Various Services of underground pedestrian walkway under R-I Division	M/s. R.K. Jain & Sons Hospitality Services (P) Ltd	₹3.68 lakhs	2. As per para 2.1(g) of NIT the minimum manpower handled by the firm should be 125 no.	2. The contractor had not submitted documents/proof in support of handling of minimum number of manpower as required in NIT
3.	Various Services of underground pedestrian walkway under R-I Division	M/s. R.K. Jain & Sons Hospitality Services (P) Ltd	₹3.84 lakhs	3. As per para 24.3 of CPWD works manual 2012 and OM dated 20.08.2009 issued by CPWD nothing shall be added in the analysis of rates for service tax (which will be reimbursed to the contractor by the Engineer-in-Chief on satisfying himself that the contractor has actually and genuinely has paid the tax) since being reimbursed to the contractor separately. 4. As per D.A.R. P.F & ESI element has not included in analysis of rates	3. The Department has added Service Tax element @12.36% in the Analysis of Rates in contravention of para 24.3 of CPWD works manual. 4. Further P.F. element @ 12% and E.S.I. 4.75% were also added in contravention of Delhi Analysis Rates.

- (IV) In following three cases the registration or the contractor with the NDMC/BOCW regulation of employment 1996 Act. Was not submitted along with the tender documents, yet the tenders were accepted.

Sr. No.	Name of work	Name of contractor	Estimated/ Tendered Cost	Condition of NIT	Remarks
1.	Road Division – III Providing and fixing of playing equipments in parks at Nauroji Nagar, New Delhi	Kalia Enterprises	₹17.72 lakh	As per clause 2, If the contractor is not registered with NDMC, they shall have to get themselves registered with NDMC before they are paid first RA Bill	In the said case, the contractor was not registered with NDMC at the time of award of work, even though he had not got registered before the completion of work and the final payment of ₹17.72 lakh.
2.	Road Division – IV Improvement of pavement/footpath at K.Kamraj Marg	Bipin Kumar	₹38.17 lakh	All the tender/ contractor/agency must be registered as per section 7 of Building and other construction workers, welfare, BOCW, CESS Act 1996 and BOCW regulation of employment 1996 Act and all the workers under these Contractors/Agencies should also be registered as beneficial as per section 12 of the said act 1996 before they are paid first running bill.	The 1st R.A. bill was paid to contractor in January-2013 & there was nothing to show that contractor was registered with BOCW regulation of employment 1996 Act and found register of 51 eneficiaries, health and other wages & accident register.

- (V) In procurement of cement by the contractors, the terms of agreements were not followed as explained below:

As per additional conditions/particular specification for cement of the agreement that cement shall be procured by the contractor from the main and reputed producers of cement enumerated as (i) ACC Cement (ii) Ambuja Cement (iii) Shree Cement (iv) Birla Cement (v) Jay Pee Bela Cement (vi) Aditya Cement (vii) J.K.Cement (viii) Binani Cement (ix) Maihar Cement (x) Vikram Cement and cement to be used in all types of concrete works shall be Portland Pozzolona Cement (PPC) conforming to IS-1489-1991 unless otherwise specified elsewhere. Further, the particulars of the manufacturer/ supplier of cement along with the date of manufacture shall be produced by the contractor for every lot of cement separately. The document in support of the purchases of cement shall be produced before Engineer-in-Charge.

In the following projects, the contractors had purchased cement from the local agencies instead of from the reputed producers which were authorized in the agreement and did not produce records to show the particulars of the manufacturer/ supplier of cement along with the date of manufacture to the Engineer-in-Charge.

Road Division – I				
Sr. No.	Name of the Work/Division	Name of the Contractor	Tendered Amount	Cement used/purchased
1	Realignment of footpath & developing of parking space around Shanker Market	Vijay Tyagi	₹31.91 lakh	Cement purchased from Jagdamba Building Material Supplier, Laxmi Cement Traders and P.K. Enterprises and also no records related to cement means which company's cement was used by the contractor
2	Improvement of roundabout under the jurisdiction of R-I Division	Khanna Enterprises	₹47.48 lakh	Cement purchased from Mamodia Cement Depot and also no records related to cements means which company's cement was used by the contractor
3	Construction of Table top crossing in approaches at Bhagwan Dass Road	NV Builders	₹3.10 crore	Cement purchased from Mamodia Cement Depot and also no records related to cements means which company's cement was used by the contractor
4	Improvement & Upgradation of Colony Roads, back lanes taken over from CPWD in Bapa Nagar	Swastic Construction Co.	₹2.35 crore	Ultratech instead of listed reputed producers like ACC, Birla, JK, Binani or Aditya Cement etc.
Road Division-II				
1	Improvement Development of site for Disaster management control centre. External Lighting	R.K. Jain & Sons Hospitality	₹93.10 lakh	It has been noticed that the contractor has purchased from local supplier i.e Goel Cement Agency and further there is no records of the company which company cement was used by the contractor.
2	Improvement of existing footpath at II & III avenue, Lodhi colony	Vijay Tyagi	₹56.05 lakh	Cement purchased from Jagdamba Building Material Supplier, Laxmi Cement and CDR Corporation. Which is the local supplier.
3	Improvement of parks & open space around parks in pandra road colony	Yatender Singh	₹48.46 lakh	Cement purchased from Jagdamba Building Material Supplier and CDR Corporation which is the local supplier.
Road Division – III				
1	Improvement & Upgradation of Colony Roads, back lanes taken over from CPWD in Moti Bagh Area. R-III	KR Anand	₹7.94 crore	OPC instead of PPC (Yadav Traders)
2	Improvement & Upgradation of Colony Roads, back lanes taken over from CPWD in East Kidwai Nagar R-III	Dinesh Chandra R Aggarwal	₹11.30 crore	OPC instead of PPC (Yadav Traders)
3	Improvement & Upgradation of Colony Roads, back lanes taken over from CPWD in Laxmi Bai Nagar R-III	KR Anand	₹8.36 crore	Dhodhi & Co. and Best Agencies
Road Division – IV				
1	Improvement & Upgradation of Colony Roads, back lanes taken over from CPWD in D-1, D-2 Flats in Viney Marg R-IV	Himgiri Const	₹1.84 Crore	OPC instead of PPC (RK Traders)

Recommendation

The department may ensure that the cement is procured from the reputed and approved suppliers. The quality and the expiry date should be carefully checked before taking the delivery. The approved quality of the cement i.e. Portland Pozzolona Cement (PPC) be procured and used as required under the agreement.

(VI) Labour Report required as per clause 19D of the Agreement during 2010-13 were not submitted in the following cases:

As per clause 19 D of the terms and conditions of the Agreements, the Contractor shall submit by 4th and 19th of every month, to the Engineer-in-Charge a true statement during the second half of the proceeding month and the first half of the current month respectively indicating.

- . The number of labourers employed by him on the work.
- . Their working hours
- . The wages paid to them.
- . The accident that occurred during the said fortnight with detailed circumstances of the accident.
- . The number of female workers who have been allowed maternity benefit according to clause 19F and the amount paid to them.

In case of non-observance of above conditions, the contractor shall be liable to pay to the NDMC the sum not exceeding ₹200/- for each default or materially incorrect statement. It has been noticed during the audit that the contractors had not submitted the requisite labour reports fortnightly during the execution of the works in 18 nos. of projects. The requisite information were not available in the maximum files of the projects of the Road Divisions. The Department had not levied penalty on the contractor as required under the provisions of the agreement. The details of the 18 projects seen are listed in **Annexure – X**.

The summary is given below:-

(₹in thousands)

Divisions	Total No. of Projects	Total No. of labour report not submitted by the contractor	Penalty @ of ₹200 per labour report
Road – I	05	100	20,000/-
Road- II	01	28	5600/-
Road – III	07	148	29600/-
Road-IV	03	40	8000/-
Road-V	02	17	8200/-
Total	18		71400/-

It would be seen that the Department had not strictly adhered to the conditions of the NIT/Agreement in all the above mentioned projects.

2.4.2 Other irregularities

(I) Payment to contractors on account of labour escalation under clause 10I of contract during 2010-13

Under clause 10 I of a contract, reimbursement can be made to contractor due to increase caused as a direct result of coming into force of any fresh law or statutory rule or order in the price of material incorporated in the works and/or wages of labour increased over prices/wages prevailing at the time of the last stipulated date of receipt of tender. Further as per Para 33.8 of CPWD Works Manual, the component of labour for any work has to be predetermined and incorporated in Schedule 'F' of the contract and the increase/decrease in labour shall be considered on the minimum daily wages in Rupees of any unskilled adult mazdoor, fixed under any law or statutory rule or order.

During the audit it was revealed that department made payment of ₹2.01 crore in 16 projects (details are mentioned in **Annexure-XI**) to the contractors on account of labour escalation without the provision of labour components in schedule 'F' of the agreement.

(II) According to the clause 33.10.1 (2) of CPWD Works Manual 2012 maximum total labour component in Road Works is 5% of the total value of the work done. It has been noticed during the review in the following cases the department paid the labour escalation charge to the contractor at very higher side ranging 5% to 11.9% which does not seems to be paid on the basis of the increased/decreased in wages.

Sr. No.	Name of Work	Total value of work	Payment made on account of labour escalation	Percentage of labour escalation charges paid to the contractor
1	Improvement and upgradation of colony roads, back lanes taken over from CPWD in Netaji Nagar	₹11.90 crore	₹1.32 crore	11.9
2	Improvement to existing security walls by providing grit wash plaster at Laxmi Bai Nagar	₹36.65 lakh	₹4.15 lakh	11.5
3	Construction of security brick wall with MS railing in back side of quarter (363-756) at Laxmi Bai Nagar	₹46.90 lakh	₹3.37 lakh	7%
4	Maintenance of underground pedestrian walkway under R-I Division	₹28.71 lakh	₹1.97 lakh	6.84
5	Improvement to remaining furnishing parks in Kaka Nagar colony Tilak Lane	₹33.48 lakh	₹2.11 lakh	6.30
6	Maintenance of underground pedestrian walkway	₹27.57 lakh	₹1.43 lakh	5

(III) (a) While calculating the labour escalation charge in the following three cases the department had also added 15% for contractor profit and OH , 1% for water charges, 1% cess and 2% DVAT in over and above the minimum wages rates increased by the Delhi Government.

(₹ in lakh)

Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor (inclusive of contractor profit, water charges, cess and D-Vat)	Percentage of labour escalation charges
1	Improvement to existing security walls by providing grit wash plaster at Laxmi Bai Nagar	36.65 lakhs	4.15	11.5
2	Improvement to existing footpath at II & III avenue, Lodhi Colony	68.29 lakhs	2.82	4.13
3	Construction of security brick wall with MS railing in back side of quarter (363-756) at Laxmi Bai Nagar	46.90 lakhs	3.37	7%

(III) (b) In comparison, while calculating the labour components in the following 5 cases the department had not added 15% for the contractor profit and OH, 1% for water charges, 1% cess and 2% D-VAT in over and above the minimum wages rates increased by the Delhi Government.

(₹ in lakh)

Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor (without inclusive of contractor profit, water charges, cess and D-Vat)	Percentage of labour escalation charges
1	Improvement to Existing Boundary Wall at Bharti Nagar	37.39 lakhs	1.23	3.29
2	Improvement to remaining furnishing parks in Kaka Nagar colony Tilak Lane	33.49 lakhs	2.11	6.30
3	Constructing table top crossing in approach at Bhagwan Dass Road	12.05 lakhs	0.59	4.82

(IV) (a) As per the codal provision the labour escalation charge would be paid to the contractor from date of enhancement whereas it has been noticed in the following two cases the department made the payment to the contractor on account of labour escalation charges on the total work executed between 25.02.2010 to 30.07.2011 whereas it was to be paid w.e.f.01.02.2011 which was the applicable date for calculation of the labour components i.e. date of enhancement, as per the order issued by Delhi Govt.

(₹ in lakh)

Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor (25.02.10 to 30.07.11)	Percentage of labour escalation charges
1	Improvement to existing security walls by providing grit wash plaster at Laxmi Bai Nagar	36.65 lakhs	4.15 lakhs	11.5
2	Improvement to existing footpath at II & III avenue, Lodhi Colony	68.29 lakhs	2.82 lakhs	4.13

(IV) (b) In comparison to in the following cases it was noticed that the department made the payment to the contractor on account of labour escalation after deducting the work done prior to 01.02.11.

(₹ in lakh)

Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor (w.e.f. 1.2.11.	Percentage of labour escalation charges
1	Improvement to Existing Boundary Wall at Bharti Nagar	37.39 lakhs	1.23 lakhs	3.29%
2	Construction of security brick wall with MS railing in back side of quarter (363-756) at Laxmi Bai Nagar	46.90 lakhs	3.37 lakhs	7%

Thus, there is no uniform policy adopted by the Department on Labour Escalation charges.

(V) As per Para 33.10.2 of CPWD Work Manual 'the contractor shall prepare the statement of escalation or de-escalation at the end of every 3 months and submit to the Engineer-in-Charge. The Executive Engineer will communicate the base index to the contractor in respect of each work. The Executive Engineer will sanction the compensation for escalation and the amount thus sanctioned will be included in the next running account bill'. During the scrutiny of Sixteen project files it was noticed that the statement of escalation as required para 33.10.2 of CPWD Work Manual were not available in the records. Further, there was no Calculation Sheets of the amount paid on account of 10/C in respect of following cases so the justification of the payments could not be verified/checked with reference to the rule. The department was requested to provide the calculation sheet and their relevant records for verification of facts.

(₹ in lakh)

Road Division –I				
Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor	Percentage of labour escalation charges
1	Maintenance of underground pedestrian walkway under R-I Division	28.71 lakhs	1.97	6.84
2	Improvement of Central Verge	36.57 lakhs	0.74	2.02

(₹ in lakh)

Road Division –II				
Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor	Percentage of labour escalation charges
1	Improvement of parks & open space around parks in Pandra Road Colony	47.18 lakhs	1.7	3.62

(in ₹)

Road Division –III				
Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor	Percentage of labour escalation charges
1	Improvement and upgradation of colony roads, back lanes taken over from CPWD in Netaji Nagar	11.90 crore	1.32 crore	11.09
2	Maintenance of underground pedestrian walkway	27.57 lakh	1.43 lakh	5
3	Improvement to existing footpath at Netaji Nagar, Nauroji Nagar & Sarojini Nagar area	4.54 crore	15.52 lakh	3.42
4	Imp. & upgradation of cly road back lane taken over from CPWD in Moti Bagh area New Delhi	8.23 crore	14.05 lakh	1.70
5	Imp. & upgradation of colony road back lanes taken over from CPWD in East Kidwai Nagar	9.34 crore	9.76 lakh	1.04
6	Imp. & upgradation of cly road back lane taken over from CPWD in Laxmi Bai Nagar	7.16 Crore	6.50 lakh	0.91
7	Construction of security wall back lane of D&F block type II qtrs. Netaji Nagar, New Delhi	59.47 lakh	1.91 lakh	0.32

There was no uniform policy while calculating the labour escalation charges.

Recommendation:

Criteria and norms for payment of Labour Escalation charges need to be framed by the department.

2.4.3 Excess payment, short recovery & short revenue of ₹1.23 crore from the contractors due to lack of internal control system & mechanism in the following cases

Road Division-III

(I) Improvement & up-gradation of colony roads back lane taken over from CPWD in Sarojini Nagar, (Agreement No.22 & 23)

A/A & E/S amounting to Rs 21.47 crore was accorded vide council items No. 06 (A-148) dated 25.2.2010 for preliminary estimate of the work improvement & upgradation of colony roads back lanes taken over from CPWD in Sarojini Nagar.

The approval for splitting of NIT in two parts (I & II) was proposed and approved by the Chairperson on 30.11.2011 due to the following reasons.

- Number of RMC works are going on in CPWD colonies of Moti Bagh, Netaji Nagar, Nauroji Nagar, Laxmi Bai Nagar, East Kidwai Nagar & West Kidwai Nagar.
- Completion period one year has already been expired of all works, while work progress is still continuing being residential area.
- If we call tender of total amount as above then completion period will be required about 2 to 3 years as like other cases which will be long time then desired that NIT may be split-up in two parts for maintain same terms and condition of NIT for more than ₹10.00 crore tender limit, in which separate tender can be invite for two tenders in entire Sarojini Nagar.

The tender was called for and the acceptance of the lowest offer of M/s. Atcon India Ltd. was accepted of both Part-I & Part-II which was approved by the Chairperson on 03.05.2012 at the following amount.

In Agreement-I, the lowest offer of M/s. Atcon India Ltd of ₹9.74 crores was accepted which was 5.42% below the estimated cost of ₹10.43 crores and 14.13% below the justified cost for the work 'Improvement & upgradation of colony roads, back lanes taken over from CPWD in Sarojini Nagar (Part-I)'. The justification has been worked out 10.14% above the estimated cost.

In Agreement-II, again, the lowest offer of M/s. Atcon India Ltd. of ₹9.63 crores ,which was 6.01% below the estimated cost of ₹10.30 crores and 14.66% below the justified cost of the work 'Improvement & upgradation of colony roads, back lanes taken over from CPWD in Sarojini Nagar (Part-II)'. The justification has been worked out 10.14% above the estimated cost.

It seen from the above both the projects (Part-I & Part-II) were awarded to the only one contractor i.e. M/s. Atcon India Ltd. on the 03.05.2012. So, the purpose to obtain the approval for splitting of NIT in two parts on the reasons mentioned above was defeated. The purpose for splitting was only to complete the work in a short time.

Also, it was noticed that there was huge difference in rates on the same specifications for the same quantity between the agreement No.22 & 23 as per details given below:-

Items No.	Specification	Quantity	Rate approved in Agreement No. 22		Rate approved in Agreement No. 23 Total Amount		Difference in rate	Addl. Amount
			Rate (₹)	Amount (₹)	Rate (₹)	Amount (₹)		
5A	Providing and laying Non-pressure NP2 class (light duty) RCC pipe with collars jointed with stiff mixture	10810.00M	700 per meter	7567000	600 per meter	6486000	+100 per meter in agreement no. 22	1081000

	of cement morta proportion of 1:2 (1 cement: 2 fine sand) excluding testing of joints etc. compete. 300mm dia R.C.C. pipe							
6(a)	Providing and laying H.D.P.E. pipe (PE-80) of working pressure 2.5 kg/cm ² of approved make and quality including jointing appropriate material including accessories etc. complete as per instruction and direction of Engineer-in-chief.	34989M	450 per meter	15745050	425 per meter	14870325	+25 per meter in agreeme nt no. 22	874725
18(b)	Providing and laying cement concrete pavement with Ready Mix Concrete manufactured in fully automatic batching plant etc. M-40 grade of concrete	6401.50M3	4194 cubic Meter	26847891	4480 cubic meter	28678720	+26 cubic meter in agreeme nt no. 23	1830829
20(a)	Forming joints by Sawing Groove of required depth and width with help of concrete sawing machine with diamond edge cutting blade 3mm wide and 36 mm dia green cement concrete pavement etc. 4mm wide and 40mm deep	96022.50M	30 per meter	2880675	25M	2400562	+5 per meter in agreeme nt no. 22	480112
Total								42.67 lakh

As shown in the table above an additional amount of ₹42.67 lakh was paid extra by the department due to variation of rates for the same specifications & for the same quantity to the same contractor M/s. Atcon India Ltd.

(II) Excess Payment of Rs 8 lakh on account of Labour Escalation

During the Performances Audit it, was noticed that Department made payment of ₹23.51 lakhs to the contractor against the amount of ₹15.52 lakhs for labour escalation charges. Due to this the department paid ₹7.9 lakhs excess payment to the contractor.

Road Division-II**(III) Less realization of revenue ₹70.21 lakh to the NDMC**

The work of Widening and Strengthening of Colony roads by concrete Roads and widening of M.S Gates in Lodhi Colony was awarded to M/s Ranunaq Canstruction in March 2012 with the tendered cost of ₹3.10 crores. The stipulated date of start and completion was 23.02.2012 and 22.03.2013 respectively.

The contractor made a request to allot a piece of land measuring about(2000 sq.m) i.e ½ acre for the contract period for establishing Ready Mix Concrete plant, and the department agreed to release ½ acre of land at Sarai Kale Khan for RMC plant on rental basis. The rental was fixed at ₹66,500/- per month with the approval of Chairman. The division ascertained the rent on the basis of rent of ½ acre land at Arjun Dass Camp.

As per condition No.7 stated in agreement for Ready Mix Concrete plant is as under:-

“The contractor shall, within 15 days of award of the work, submit list of atleast two RMC plant companies out of list of approved manufacturers alongwith details of such plants including details of transit mixer, pumps etc. to be deployed indicating name of owner/ company, its location, capacity, technical establishment, past experience and test of MOU with approved RMC plant approval. **The contractor will not be allowed to purchase ready mix concrete without completion of above stated formalities for using in this project.** Therefore in view of this clause in the agreement NDMC was under no obligation to provide space to the contractor.”

From audit scrutiny of records the following points were observed.

1. According to the terms of agreement there was no obligation on part of the department to provide space for Ready Mix Concrete plant but the department provide ½ acre of land on a nominal monthly rent for establishing Ready Mix Concrete plant.
2. The rent was fixed @ ₹66,500/- per month without ascertaining the circle rates of the area. In a similar case where a ½ acre piece of land rented out by MOH, NDMC to a contractor the department obtained the circle rates and on the basis of circle rates rental value of ½ acre of land at Sarai Kale Khan worked out to ₹6.51 lakhs per month. As such renting out of land at lower rates resulted in loss of revenue of ₹5.85 lakhs per month i.e. ₹70.20 lakhs for twelve month.

The department was requested to offer their comments. No reply was received.

2.4.4 Delay in scrutiny of Tender documents and award of work during the 2010-2014

As per para 20.3.1 of CPWD Works Manual, 2012, top priority should be given to decide the award of work on receipt of tenders. In order to minimize chances of delay, the time table as laid down in appendix 23 of the Works Manual should be observed for processing the tenders by different authorities. As per appendix 23, maximum of 45 days is allowed for scrutiny & award of work.

During audit it was revealed that the department had not adhered to the codal provisions and had taken extra time for scrutiny of tender documents and award of work. In 26 projects it was revealed that the time taken ranged from 80 to 240 days as against prescribed 45 days.

2.4.5 Delay in execution of agreements during 2010-2014

As per the provisions of Rule 204(v) of General Financial Rules 2005, no work of any kind should be commenced without proper execution of an agreement.

Further, as per the condition of work orders, the successful tenderer shall have to execute an agreement within 15 days of issue of the work order, (On ₹50/- non-judicial stamp paper).

During audit it was revealed that in 30 cases, the department had not entered into the agreement with the contractor within the stipulated period.

In all the cases, action of the department for the execution of the agreements beyond the stipulated period and after the commencement of work was not justified. According to the clause 23.2 of CPWD Works Manual, 2012, there should be no delay in executing the agreement as soon as a tender has been accepted by the Competent Authority.

Recommendation

The department needs to ensure that the provisions of Rule 204(v) of GFR 2005 and clause 23.02 of CPWD Manual 2012 are strictly adhered to.

2.4.6 Extraordinary delay in execution of work

During the review of Hindrance Registers of the Road Divisions it was revealed that hindrances were not reported to the Executive Engineer. Moreover, hindrances were not authenticated by the Executive Engineer. This revealed that the work was awarded and executed in an unplanned manner leading to extra ordinary delay in improvement of roads and back lanes.

Accordingly the 21 projects were badly delayed by three months to more than two years which indicates the violation of the terms and conditions of the codal provision of clause 29.7 of CPWD Manual 2012.

Recommendation

The department may follow the instructions in clause 29.7 of CPWD Works Manual 2012. The Executive Engineers shall review the Hindrance Registers at least once in a month and ensure that the work is not delayed without any specified reasons.

2.4.7 Advance payment to consultants

As per the provision 159 of GFR which stipulates that “Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments, advance payment upto 40% to a State or Central Government agency or a Public Sector Undertaking be made.” Test check of records of the Road III Division revealed that in the above cases ranging from 50% to 100% advance payment were made to the agencies, which is in violation of the above said provision of GFR.

The following firms had been appointed as consultant for third party quality assurance @ 1 and 2% of the project cost and the advance payment were made to agencies.

Road Division – III

Sr. No.	Name of the work	Name of the contractor	Consultant	Tendered Amount (₹ in crore)	Advance Payment (₹ in lakh)
1	Improvement & Upgradation of Colony Rd, back lanes taken over from CPWD in Moti Bagh Area	K.R. Anand	CRRRI	7.94	19.35 (100%)
2	Improvement & Upgradation of Colony Rd, back lanes taken over from CPWD in East Kidwai Nagar	Dinesh Chandra R. Aggarwal	Delhi College of Engineering	11.03	10.73 (50%)
3	Improvement & Upgradation of Colony Rd, back lanes taken over from CPWD in Laxmi Bai Nagar	K. R. Anand	Delhi Technological University	8.36	10.73 (50%)

Recommendation

The department may follow the codal provisions before making payments to the consultants for third party quality assurance.

2.5 ELECTRICAL DIVISIONS

Road Light Division

2.5.1 Undue delay in completion of work-blockade of ₹8.18 lakh (R/L)

Chairperson NDMC approved in May 2009 to provide new octagonal shape GI sheet road lighting with HPSU fitting around Delhi Haat for giving presentable look and for improvement of the road lighting. The division awarded the work of ‘Improvement of Road Light system

around Dilli Haat' to M/s. Gyan Entrepreneurs at a tendered amount of ₹15.75 lakh in May 2011. The award was again issued in December 2011. The reason for awarding 2nd award letter after 7 months of its initial award letter was not on record. The work was to be completed in 60 days. Accordingly, the stipulated date of completion of work was 20.02.2012. The work included supply and fixing of poles (48 Nos.), supply and fixing of HPSV fitting-150 Watt (54 Nos.), supply of sodium tube-150 watt (54 Nos.), preparation of foundation of poles (48 Nos.) wiring of road light poles (54 Nos.) etc. As per the First Running Account Bill of the work paid in February 2012, the contractor had executed only 3 items of work viz. (i) Preparation of foundation of poles (ii) supply & fixing of poles and (iii) supply and fixing of HPSV fitting 150-watt against 19 items included in the schedule of work costing of ₹10.90 lakh. The contractor was, however, paid ₹8.18 lakh being 75% of the work executed.

The permission for road cutting for laying of cable by open trench of service road and trench less technology of main Road was applied for by the Division. The Civil Division concerned granted permission only for trench less technology only on 12.12.2011. The work order was issued on 14.12.2011. However the division later on 12.03.2012 felt that the laying of cable using trench less technology may damage the HT/LT electric service cable, gas pipe line, water supply line, etc around Dill Haat. As such award of work without considering the factor of permission of road cut, efficacy of trench less technology etc. were to be considered at the time of approval of estimates which was not done.

The stipulated date of completion of work was 20.02.2012. The contractor was granted provisional extension of time upto 31.03.2012 vide letter dated 19.03.2012 and further extension upto 20.04.2012 vide letter dated 28.03.2012. The contractor applied for closure of contract in March 2012 on the plea that the rates of material and labour have increased in the market and that the extension granted after the stipulated date of completion was not valid in terms of Section 29 of CPWD Manual. Subsequently the agreement with Gyan enterprises was closed and Fresh NIT for Balance work of Road Lighting was under consideration.

Thus due to undue delay in sorting out the issue of laying of cable by using open trench or trench less technology with the concerned Civil Department, the work of improvement of road lighting around Dill Haat could not completed as of October 2013. The delay in completion of the work not only defeated the very purpose of improvement of road lighting system around Dilli Haat but also resulted blockage of funds of ₹8.18 lakh spent on work.

The Division stated that that they have put-up the proposal for further tendering against the balance work which is in process. Further they have assured that in future, they will obtain the road cutting permission before awarding the work to the Contractor.

Maintenance Division

Building Maintenance – I

2.5.2 Providing Electrical wiring, fitting and fixtures at Mayur Bhawan

The division entered into an agreement on 15.04.2010 with M/s. Kamal Electrical for providing electrical wiring, fittings and fixtures at 7th floor of Mayur Bhawan at tendered cost of ₹61.24 lakhs with the stipulation to complete the work within 7 months from the 10th day of issue of award letter or handing over of site.

Subsequently it was decided to provide electrical wiring and fixtures at 8th floor also, due to recasting of roof of 7th floor to the same contractor without inviting any quotation.

The work of wiring of 8th floor was also awarded to M/s. Kamal Electricals at a cost of ₹31.68 lakhs on the terms and conditions applicable to wiring of 7th floor as it was considered that all the items which were required at 8th Floor are the same as in the work awarded to Kamal Electrical for 7th Floor. **The Award of Work for 8th Floor without inviting the tender was against the Codal provision.**

The Scrutiny of records of two works revealed the following:

a) Extra avoidable expenditure of ₹14.24 lakh

The work of providing wiring and fittings of 7th floor of Mayur Bhawan included provision of supply of 2 X 36 W FTL recess type fittings which were to be mounted in the false ceiling. The electrical division informed the civil division that contractor had already brought the fittings of 2X 36 W at site and as such during fixing the frame of false ceiling of 2 X 36 W fitting size may be considered to avoid any problem during mounting of the fittings. However civil division provided grid size of 2' X 2' CFL for which fitting size of 2 X36 W was not feasible.

Ultimately in a meeting held on 21.02.2011 by the officers of the NDMC it was decided that at 7th floor fitting of size 2' X 2' (2 X 36) W(FTL) will be provided by electrical division and existing fitting of 2 X 36 W (FTL) which were already brought at site by the contractor will be utilized at 8th floor.

Audit scrutiny revealed that the electrical **work of 8th floor provided for only wiring to be done by electrical division while fixtures were to be provided by the user department as the false ceiling was not to be provided at 8th floor. However, due to lack of co-ordination between electrical division and civil division, the fittings of 2 X 36 W supplied by the contractor were not used in 7th floor work and these were used in 8th floor where no fittings were to be provided fittings for 7th floor were procured at a cost of ₹14.24 lakhs which was extra avoidable expenditure.**

It is further noticed that the department has not specifically mentioned for requirement of FTL fitting or CFL fitting, with the result the Contractor had procured FTL fitting Later, the department had to accept the same.

Division stated that both the floors are to be rented after properly furnishing the said place and will get more rent and the amount of ₹14.24 lakhs will be recovered within 2 years. Audit felt that it was an afterthought as nothing was recorded in the file in this context.

b) Short Deposit of Performance Guarantee and non levy of Penalty

Section 20(1) of CPWD Works Manual, 2007 provided that contractor shall deposit an amount equal to 5 percent of the tendered and accepted value of work as performance guarantee. It was observed that the department had awarded the work of electrification of 7th floor of Mayur Bhawan to M/s. Kamal Electricals at the tendered cost of ₹61.22 lakhs and as such performance bank guarantee of ₹3.10 lakhs was obtained. Subsequently work of electrification of 8th floor was also awarded to the contractor on same terms and conditions at a cost of ₹31.68 lakhs.

However, performance guarantee for ₹1.58 lakhs required to be obtained for this work being separate work as separate estimates were prepared and tendering was done had not been obtained resulting in short obtaining of performance guarantee.

The division stated that the work of 8th Floor was carried out as additional quantity within the existing agreement of 7th floor. There is no requirement to deposit the performance guarantee against the amount of additional quantity executed in the existing agreement. The reply of the Division is not tenable as the value of work had increased as a result the quantum of performance guarantee will be increased accordingly.

The above work was actually completed on 18.10.2011 resulting in delay of 79 days even after making allowance for hindrance. Therefore the contractor was liable to pay penalty of ₹6.12 lakhs @ 10% on ₹61.23 lakhs which was not withheld by the division from running account bills of the contractor.

Necessary compliance to the deduction of penalty from the balance payment be submitted to the Audit.

c) Incorrect procedure adopted for preparation of eligibility criteria /Justification. (M/N)

A proposal for replacement of Old Battery tripping unit at various ESS Maintenance North division at cost of ₹49.52 lakhs was initiated by the division in January 2011. Administrative approval of Chairman was accorded in June 2011. Draft NIT was approved by CE in September 2011. The tender was opened on 17.10.2011 and two bids were received M/s Sairam traders and Engg. & RPG equipments were received. These bids were not approved on the plea that "both the firms have not fulfilled the eligibility criteria. It was further stated that such type of works are not executed on large scale in routine." The tenders were

rejected and revised NIT was issued. In the revised tender, which was open in 11.01.2012, the same two firms had quoted and L1 was awarded the contract. The following observations were made:-

1. As the division was aware that such type of work are not being executed in routine, the eligibility conditions should have been prepared taking into account all such factors so that there may not be need of re-tendering . However no such attention was given. It is further proved that in the second call also the same two firms quoted. As such there was no need to re-tender in this case. By re-tending NDMC has to incur an extra expenditure ₹95,760/-.

2. Justification statement was also not prepared inspite of Finance observation. Though it is a fact that it was a specialized job, the eligibility condition should have been prepared taking into account of such a way that situation of re-tendering should not have been arrived. Had the division prepared the eligibility condition considering the available firms and past experience, the situation of re-tendering could have been avoided.

Recommendation

In the case of specialized work, the division may prepare eligibility conditions considering the all the facts of availability and utilization on the basis of its past experience in future. The justifications statement may also be prepared now onwards.

2.5.3 Award of work for replacement of old aluminum wiring at Navyug Schools at higher rates

During the financial year 2010-11, EE Building Maintenance-II (Electric) had taken up the work of replacement of old aluminum wiring at Navyug Schools located at Sarojini Nagar and Laxmi Bai Nagar. The details regarding the two works are summarized below:

Both the works were of similar in nature and had similar items to be executed.

Audit scrutiny revealed that the approval for NIT of both the works were accorded by the competent authority within a span of 8 days. Thus, the Division could have floated a single NIT for both the works so as to minimize the expenditure as well as time taken for processing the tender documents and to obtain more competitive rates. The NIT for work at Navyug School Sarojini Nagar was approved on 31.03.2010 but uploaded on website on 19.04.2010, whereas the NIT for work at Laxmi Bai Nagar was approved on 08.04.2010 but uploaded on 07.05.2010, without any recorded reasons.

There was huge difference between the rates quoted for Navyug School Sarojini Nagar and Navyug School Laxmi Bai Nagar, although in both the works L1 bidder was the same firm i.e. M/s. Chauhan & Associates. The work at Navyug School Laxmi Bai Nagar was awarded at higher rates. The total extra cost due to difference in rates worked out to ₹4.20 lakhs.

Even the rates available under Annual Rate contract of wiring were less than the rates approved for work at Navyug School, Laxmi Bai Nagar.

The division stated that awarded rates differ from tender to tender and work to work. There is no bar in any rules that similar tender should have similar rates. The fact remains that had the division clubbed both these NIT, the division would have got more competitive rates.

Water supply division

2.5.4 Work awarded at different rates allowed in awarding two works during same period

The Division initiated a proposal for providing 150 mm dia water mains grid on Chelmsford Road near Connaught place. The proposal initiated in 09.06.2010 for the toilets to be made operational before the Commonwealth Games 2010 in anticipation of the approval of PE and DE. The sealed tenders were invited on 25.01.2011. Thus the department has taken more than 6 months in processing of the tenders though the work was of an urgent nature. As only a single tender was received on 18.03.2011, it was decided to re-tender. In the second call of tenders two firms participated. Negotiation was held which was concluded at a rate 32.02% above the estimated rates and the justified rates at this time worked out to be 29.80% above. However, the competent authority decided in 2011 that the publicity period was short, hence the tender was rejected on 02.09.2011. Thus the whole process of second call also became waste. In the third call the tenders were invited and work was awarded to M/s. Vishesh Builders in December 2011 at 31.86% higher than the EC. The work was completed on 04.04.2012. Thus the work which was of urgent nature being operationalised before the Commonwealth Games could be awarded on December 2011 and completed on April 2012. The delay in execution of work was 2 years due to lackadaisical approach in finalization of the tendering process.

Audit further noticed that in a similar work, namely providing and laying 150 mm dia DI pipeline WBS to E-Block East Kidwai Nagar, the work was executed by the contractor Sh. Rajesh Kumar at 19.85 % above estimated cost in February – March 2011. The rates of Sh. Rajesh Kumar were also much lower than the rates finalized in the current contract.

The division stated that the work was initiated in June 2010 and PE was approved in July 2010. Thereafter DE was scrutinized by the planning wing and was approved in October 2010. The Commonwealth Games were also held in October 2010 and no fresh execution was to be taken for any fresh work from July 2010 onwards. The reply is silent about justification of time spent during October 2010 to December 2011, i.e. date on which the work was finally awarded. Further the time taken by the planning division from July to October 2010 on a small work and of urgent nature which was to be completed before the Commonwealth Games, is not explainable. The Division further stated that the work referred to in the observation, was awarded to a separate agency at separate location. The working

condition in both the cases was different and the rates quoted are not comparable with each other. In this connection it is stated that some of the items mentioned in the annexure were providing and laying of particular item. These cannot be classified as working conditions which were different in these two works.

CHAPTER - 3

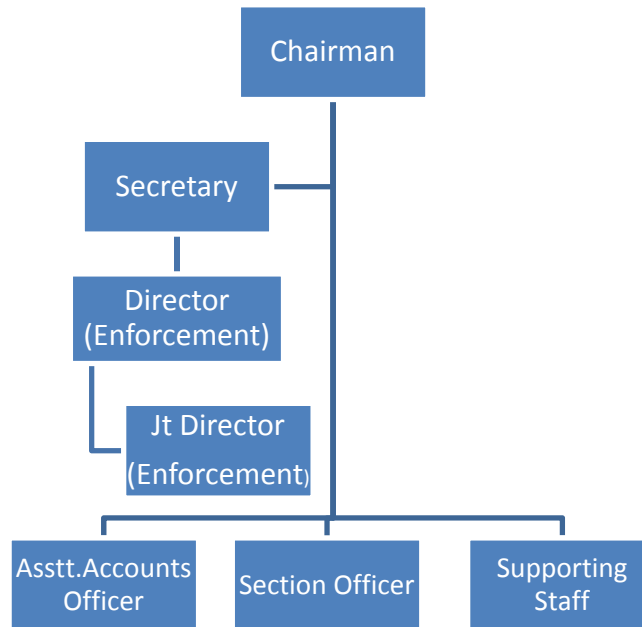
Enforcement Department

Performance Audit of Enforcement Department

3 Introduction

Enforcement Department (Department) of NDMC is responsible for removal of unauthorized encroachments, hoardings, banners; cycle-rickshaws, stray cattle and parking of vehicles in NDMC area. Besides, the department also earns revenue in the form of License fees from various commercial units in NDMC area allotted to the licensees of Parking lots, Old Tehbazari, Thareja Verified Tehbazari, Stalls, Kiosks, PCO Booths, Taxi Booths, etc.

3.1.1 Organizational Structure



The work of the Department is being managed by the following two sections:

(i) Indoor Section:

Indoor section is responsible for maintenance of records, raising of demands and collection of monthly payment of license fee in respect of Parking lots, Tehbazari, Stalls, Taxi Booths and PCO etc., allotment of parking lots, hiring of vans and cranes, Langours etc. under the jurisdiction of NDMC.

(ii) Outdoor Section:

Outdoor section deals with levy and collection of fine and removal charges on unauthorized encroachments, hoardings, banners, cycle-rickshaws, stray cattle, un-authorised parked vehicles and squatters on municipal land.

3.1.2 Receipt and Expenditure Profile of the Department

Table below indicates the Receipt Profile of the Department for last three years:

Table 3.1 ₹ In lakh

Year	Estimated	Actual
2011-12	1670	1652.64
2012-13	1402	1453.97
2013-14	1478.92	861.65

Table below indicates the Expenditure Profile of the department for last three years:

Table 3.2 ₹ In lakh

Year	Estimated	Actual
2011-12	130	129.22
2012-13	190.00	186.02
2013-14	140.30	124.75

As may be seen from above that the revenue receipts of the Department are decreasing rapidly (from ₹1652.64 lakh in 2011-12 to ₹861.65 lakh in 2013-14). The reasons for the same needs to be examined by the department and accordingly corrective actions need to be taken. Details of revenue receipts and expenditure are given as under:

Receipt Profile

(₹ in Lakh)

Year	Head of Account	Category of receipts	Budget Estimates	Revised Estimate	Actual Receipt	Deficit(-) Excess(+)
2011-12	1402006	Other fees and fines, Prosecution Fees	10	5	4.13	(-) 0.87
	1301002	Taxi Booth, PCO Booth	17	15	10.81	(-)4.19
	1401104	Tehbazari fees	80	75	63.94	(-)11.06
	1402005	Removal charges	90	40	35.34	(-)4.66
	1405016	Parking fees	1400	1500	1508.25	(+)8.25
	1808007	Other Receipt	15	35	30.17	(-)4.83
		Total	1612.00	1670	1652.64	(-)17.36
2012-13	1402006	Other fees and fines, Prosecution Fees	5	6	6.84	(+)0.84
	1301002	Taxi Booth, PCO Booth	15	9	11.34	(+)2.34
	1401104	Tehbazari	75	95	117.48	(+)22.48
	1402005	Removal charges	50	45	44.82	(-)0.18
	1405016	Parking	1600	1212	1248.54	(+)36.54
	1808007	Other Receipt	35	35	24.95	(-)10.05
		Total	1780	1402	1453.97	(+)51.97
2013-14	1402006	Other fees and fines, Prosecution Fees	6	6	5.46	(-)0.54
	1301002	Taxi Booth, PCO Booth	10	11.28	10.04	(-)1.24
	1401104	Tehbazari	95	95	87.28	(-)7.72
	1402005	Removal Charges	45	50	47.71	(-)2.29
	1405016	Parking	1350	1291.64	701.61	(-)590.03
	1808007	Other Receipt	35	25	9.55	(-)15.45
		Total	1541	1478.92	861.65	(-) 617.27

As can be seen there has been various increase in arrears in 2013-14 in collection of parking fees which is a principle source of Revenue. Also arrear under Tehbazaris have been mounting over the years.

Expenditure Profile

(₹ In lakh)

Year	Head of Account	Description/	Revised Estimate	Actual Expenditure	Saving(-) Excess(+)
2011- 12	2304002	Hiring of Trucks/Cranes	80.00	79.99	(-)0.01
	2208002	Other Administrative Expenses	50.00	49.23	(-)0.77
	2204002	Insurance Charges	-	-	-
		Total	130	129.22	(-)0.78
2012-13	2304002	Hiring of Trucks/Cranes	80.00	79.28	(-)0.72
	2308046	Relocation of J.J.Clusters	50.00	48.39	(-)1.61
	2208002	Other Administrative Expenses	60.00	58.35	(-)1.65
	2204002	Insurance Charges	-	-	-
	Total	190.00	186.02	(-)3.98	
2013-14	2304002	Hiring of Trucks/Cranes	80.00	80.00	-
	2308046	Relocation of J.J.Clusters	-	-	-
	2208002	Other Administrative Expenses	60.00	44.58	(-)15.42
	2204002	Insurance Charges	0.30	00.17	(-)0.13
	Total	140.30	124.75	(-) 15.25	

3.1.3 Audit Coverage

The performance audit covered examination of records of the department pertaining to the period from 1st April 2012 to 31st March 2014.

3.1.4 Audit Objectives

The objectives of the performance audit were to examine whether:

- Demand of license fee, penalties, removal charges, other charges in respect of Tehbazari, Taxi Booths/Stand, PCO Booths, unauthorized Scatters, etc. were raised in time and recovered as per Policy and Rules & Regulations of NDMC
- Important records such as Demand & Collection Register, Correspondence files, Receipt vouchers etc. were maintained properly.
- Removal of encroachments, imposition of penalties was as per laid down Policy, Rules & Regulations of NDMC
- Expenditure on hiring of cranes, raid vans, langoors, labourers etc were as per the Rules and Regulations applicable to NDMC and the terms of agreement entered with the contractors were adhered to.

3.1.5 Audit Criteria

The main sources of audit criteria adopted for the performance audit were:

- The New Delhi Municipal Council Act, 1994.
- Council Resolutions
- Policies and procedures approved and adopted by NDMC
- Circular/instructions issued from time to time.
- Agreements entered into with various contractors/ licencees.
- Provisions of G.F.R. -2005 and C.P.W.D. Manual wherever applicable.

3.1.6 Audit Methodology

The performance audit commenced with an entry meeting with Director (Enforcement) wherein scope, objectives and criteria of performance audit on the working of the Department were discussed.

Audit collected the data from the Department by way of audit enquiries, evidences from files/records/ Demand & Collection registers and discussion with the officers/officials to assess the implementations of various policies & procedure adopted by the Department.

The exit meeting was held on 14 October 2014 with Jt. Director (Enforcement). *The replies of the Department, wherever received, have been incorporated.*

3.2 Audit Findings

3.2.1 Unaccounted Challan Books (G-8)

Challan Books (G-8 Book) constitute fundamental means of verifying Receipt collection done by Enforcement Department. All receipt of cash on account of fine and removal & storage charges from the owners of impounded goods/vehicles etc are done through these. In order to avoid any unauthorized use or misuse of these books, it is essential that these books are kept in the safe custody of authorized officials and are verified at regular intervals. NDMC has, however, not prescribed any guideline for issuance, custody, accounting, physical verification and reconciliation of these books with the actual revenue receipts.

Following are the Rule position for custody, use and reconciliation of these Challan books (Receipt books) in the Government departments:

*Rule 2 of the **Central Government Account (Receipts and Payments)** provides that receipt books must be kept under lock and key in the personal custody of the Officer authorised to sign the receipt on behalf of the Government. Counterfoils of used receipt books shall be kept in his personal custody.*

*Rule 11.(1) of **General Financial Rules 2005** provide “Detailed rules and procedure regarding assessment, collection, allocation, remission and abandonment of revenue and*

other receipts shall be laid down in the regulations of the department responsible for the same.”

Rule 11.(2) of **General Financial Rules 2005** “ In departments in which officers are required to receive money on behalf of Government and issue receipts therefore in Form GAR-6 the departmental regulations should provide for the maintenance of a proper account of the receipt and issue of the receipt books, the number of receipt books to be issued at a time to each officer and a check with the officer’s accounts of the used books when returned “.

Rule 16.(1) Fines- of **General Financial Rules 2005** provide “ Every authority having the power to impose and/or realize a fine shall ensure that the money is realized, duly checked and deposited into a treasury or bank as the case may be”.

As such these books are required to be kept in safe custody of the authorized officer only and proper account of the used as well as unused books should be maintained. In order to avoid the chances of misuse of the Challan books, these should be physically verified at least once in a year.

Audit, however, observed that no such account was being maintained either in the store or in the Headquarters (Enforcement). Further, no physical verification was conducted during the period of audit (2011-12 to 2013-14). Any misappropriation of challan revenue books may lead to potential misappropriation of revenue as a very low level functionary (store keeper) has been authorized indenting the issue, use and custody of G-8 books.

In practice the store keeper in the Department sends indents to General Section (NDMC). These books, on receipt from General Section are kept and used by store keeper and the cash collected against the Challan is deposited with the main Cash Branch .Custody of used and unused Challan books remain with the Store Keeper of the Department.

Table below indicates the Challan Book (G-8 Book) issued by the General Administration to the Department during the period from August, 2011 to March 2014.

Table 3.3

	Month of issue	G-8 Book Numbers.	Number of Books	Details of used G-8 Books	unused G-8 Books (Missing)
1	Aug. 2011	4551-4625	75	4551-4552 (2)	4553-4625 (73)
2	Sep. 2011	4801-4850	50	4801-4810 (10)	4811-4850 (40)
3	Dec. 2011	5051-5100	50	5051-5065 (15)	5066-5100 (35)
4	April 2012	5510-5559	50	5510-5530 (21)	5531-5559 (29)
5	March 2014	2501-2547	47	2501-2531 (31)	2532-2547 (16)
Total			272	79	193

As may be seen from above 79 challan books out of total 272 books issued by the General Administration, were used by the Department the status of 193 unused books was, however, not found on record due to non maintenance of store account of Challan Books.

The Department stated (October 2014) that Challan Books are now being issued after entering in Stock Register. It was further informed that the dealing Assistants have also been instructed to make proper account and records of Challan books and to submit the periodical statements to the higher authorities.

Further, Department stated (August 2015) that G-8 Books No.4553-4625, 4811-4850 and 2532-2547 was utilized by the area inspector, Gole Market/Store Keeper for vegetable haats at Udyan Marg/Stores and thereafter realized all amounts in the Council Treasury.

The Department has yet not furnished the account of remaining 65 unused G-8 Books as detailed below:

	Month of issue	unused G-8 Books as per Audit objection.	Detailed of G-8 Books used after Audit objection.	Details of G-8 Books remained unused
1	Aug. 2011	4553-4625 (73)	4553-4625 (72) except 4600	4600 (01)
2	Sep. 2011	4811-4850 (40)	4811-4850 (40)	Nil
3	Dec. 2011	5066-5100 (35)	Nil	5066-5100 (35)
4	April 2012	5531-5559 (29)	Nil	5531-5559 (29)
5	March 2014	2532-2547 (16)	2532-2547 (16)	Nil
	Total	193	128	65

Rules for the custody, issue and reconciliation of challan books must be framed in consonance with General Financial Rules. Responsibility for missing 193 challan books must be fixed.

3.2.2 Parking lots – accumulation of outstanding dues

Allotment of Parking lots in its jurisdiction is one of the important functions of the Department. The Department allotted Parking lots in 5 Groups to 4 Contractors on monthly license fee basis at different locations for the period from 1st April 2011 to 31st March 2013, as detailed below:

Table 3.4

	Name of Parking Lot	Name of contractor	Period	Area in Sq.m	Rate of Licence Fee (per month) ₹ in Lakh
1	Inner & Outer Circle, Connaught Place - Group -1	Sh. Pinto	April 2011 to March 2013	19572	34.57
2	Surrounding Connaught Place. Group-II	M/S Urban Solutions		10129	13.62
3	South West. Group-III	Sh. Mohinder Chopra		26162	15.17
4	India Gate Group-IV	Sh. K.S. Chauhan		22622	19.38
5	B.K. Road & Janpath. Group-V	Sh. Mohinder Chopra		17290	38.54

With the approval of the Chairman NDMC, the periods of licences of the allottees were extended (2July 2013) up to 31August, 2013 and further extended (27th August 2013) up to 31st October 2013 as the fresh tenders could not be finalized after the expiry of contract

period. The fresh tenders were finalized and awarded in May 2014, however, there was nothing on record to indicate the approval of extension of contracts from November 2013 to April 2014 (till the award of new contracts) by the Chairman NDMC.

Audit observed that as on 31 October 2014 a sum totaling Rs 9.49 crore was outstanding against the outgoing contractors on account of licence fees of parking lots as given in the **Annexure - XII**.

Detailed examination of two out of these five Parking lots revealed the following reasons for non-recovery/ accumulation of outstanding dues:

(a) Parking lot Group II

This parking lot with an area of 10129 sq.m and monthly licence fees of ₹13.62 lakh is located in CP area and remained allotted to M/S Urban Solutions.

Clause 8 of the agreement entered with the licensee provides that if the area of the parking lot is affected due to execution of any civil/excavation work by any governmental authority, the proportionate rebate of intervening period from the date of receipt of notice from Contractor and receipt/acceptance of report of concerned department shall be worked out and will be adjusted accordingly against the license fee payable on pro-rata rate by the contractor for future period. **However, till receipt and acceptance of report, the Contractor shall continue to pay the original license fee as fixed at the time of allotment. After completion of the work, a similar report shall also be submitted to determine the actual period of hindrance. Based on the report of concerned department, Director (Enforcement) shall decide the cases pertaining to re-determine of license fee.**

During the period of contract major restoration works of C.P. and DMRC works were ongoing in the C.P. area. Thus the area allotted to parking lots was subject to variation. On intimation of reduction in area by the contractor, the Enforcement department in coordination with Civil department was required to move in promptly to reassess the reduced area and finalize the licence fee thereupon.

As per above provision, the contractor of Parking Lot Groups II and III, from time to time intimated the Enforcement Department about affected area at different locations at different times required for carrying out the repair, maintenance, construction work by NDMC and DMRC during the period from April-2011 to May 2014 for which they requested for proportionate rebate in license fee.

Audit observed that:

The Department on receipt of intimation from the contractor regarding withdrawal of area from the Parking Lots sought confirmation report from concerned Executive Engineers of the NDMC from time to time during the operation of agreement which is reflected in the table below:

TABLE 3.5

	Parking Group II Lot /Location	Area Withdrawn (In Sq.Mtrs)	Period Of withdrawal	Intimation to the enforcement department by contractor	Intimation by enforcement department to civil department CP Project for confirmation of area withdrawal	Intimation by civil department CP Project to enforcement department for confirmation of area withdrawal	Date of finalization of reduction of fees
1	P-Block Opp.Madras Hotel	1021	5.5.2011 to 22.11.2011	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
2	Between P.K.Road and Chelmsford Road	765	1.4.2011 to 31.8.2012	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
3	Between P.K.Road and Chelmsford Road	806	1.9.2012 to 7.11.2012	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
4	Scindia House Parking in front of T.B.D.Jeweller	36	1.4.2011 to 14.12.2011	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
5	Scindia House Parking in front of T.B.D.Jeweller	50	15.12.2011 to 21.1.12	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
6	Scindia House Parking in front of T.B.D.Jeweller	180	31.1.2012 to 7.11.2012	8.4.2011/16.5.2011	24.6.2011	16.11.2012	16.04.2014
7	Palika Place R.K.Ashram Marg	814.68	1.4.2011 to 10.4.2011	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
8	Palika Place R.K.Ashram Marg	874.68	11.4.2011 to 9.8.2011	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
9	Palika Place R.K.Ashram Marg	1560	10.8.2011 to 1.1.2012	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
10	Palika Place R.K.Ashram Marg	1785	2.1.2012 to 30.6.2012	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
11	Palika Place R.K.Ashram Marg	1204	1.7.2012 onwards	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
12	Shanker Market	293	1.4.2011 to 25.5.2014	8.4.2011/16.5.2011	24.6.2011	12.12.2012	16.04.2014
13	Scindia House in front of Federal Motors	75	4.12.2012 to 28.8.2013	NA	03.07.2013	13.2.2014	16.04.2014
14	In front of KFC Restaurant	240	22/3/2013 to 15.5.2013	NA	03.07.2013	13.2.2014	16.04.2014
15	Behind Rivoli Cinema	200	4.1.2014 to 15.04.2014	NA	03.07.2013	13.2.2014	16.04.2014
16	Scindia House Parking area	1000	28.8.2013 to 15.12.2013	NA	03.07.2013	13.2.2014	16.04.2014
17	Scindia House Parking area	180	22.3.2013 to 28.8.2013	NA	03.07.2013	13.2.2014	16.04.2014

It may be seen from above that:

(i) During the currency of contract in case of Parking Lot group II total 17 works at different locations remained under repair/maintenance/construction activities for a period ranging from 1 month to 23 months. However, the confirmation reports from the concerned Executive Engineer(E. E. CP Project) were not received in time. The delay in rendering the reports ranged from 2 to 12 months after completion of the work.

Meantime, the Department had issued notice on 1July 2011, 2 May 2012 and 7 June 2013 to the contractor to deposit the outstanding dues on account of license fee. **But, due to delay in receipt of confirmation report from the E.E. (CP Project) and longer period of repair/maintenance/construction work, the Department could issue final notice on 16 April 2014 to the contractor to deposit outstanding amount of ₹1.24 crore after giving the rebate on account of area affected from time to time.**

Had the E.E. (CP Project) furnished the report in time, the Department could have intimated the correct amount of dues to the contractor at early stage and have taken appropriate action against the contractor under the provision of agreement.

Further, the Enforcement Department after April 2014 has not made any effort to recover the outstanding amount from the contractor.

(ii) Clause 6-e and clause 6-d of the agreement provide that the contractor shall pay the license fee in advance by 7th of every monthly, if the payment was not made by the contractor for a period of two months, **the agreement shall automatically stand cancelled and security deposit shall be forfeited.**

However, there was nothing on record as to why the Department did not enforce this clause, even though the contractor was irregular in paying the tendered monthly fee of ₹11.03 lakh (reduced amount due to rebate for affected area) from September, 2011 onwards.

(b) Parking lot Group III.

This lot is located in area surrounding Sarojini Nagar, Malcha Marg, Niti Marg etc with an area of 26162 Sq. Mtr and license fee of ₹15.17 lakh per month remained allotted to Sh Mohinder Kumar Chopra.

The Department on receipt of intimation from the contractor regarding withdrawal of area from the Parking Lots sought confirmation report from concerned Executive Engineers of the NDMC from time to time during the operation of agreement which is reflected in the table below:

Table 3.6

	Parking Group III Lot /Location	Area Withdrawn (In Sq.Mtrs)	Period Of withdrawal	Intimation to the enforcement department by contractor	Information sought by enforcement department from civil department Road Divsn for confirmation of area withdrawal	Confirmation of area withdrawal provided by civil department Road divn to enforcement department	Date of finalization of reduction of fees
1	Malcha Marg	1046	21.3.2012 to 31.1.2013	07.05.2012	26.07.2012	28.03.2013	14.11.2014
2	Niti Marg	3457	5.1.2013 to 04.04.2013	11.02.2013	25.03.2013	10.05.2013	14.11.2014
3	Niti Marg	275	05.04.2013 to 18.05.2014	11.02.2013	25.03.2013	10.05.2013	14.11.2014
4	Delhi Haat	2247	18.12.2012 to 18.5.2014	20.12.2012	---	14.12.2012 (DMRC)	14.11.2014
5	Delhi Haat	577	29.6.2012 to 10.10.2012	20.12.2012	---	14.12.2012 (DMRC)	14.11.2014
6	Delhi Haat	412	11.10.2012 to 17.12.2012	20.12.2012	---	14.12.2012 (DMRC)	14.11.2014

During the currency of contract, total 6 works at different location in Malcha Marg, Sarojini Nagar Niti Marg and Dilli Haat area remained under repair/maintenance/construction activities for the period 3 month to 23 months as detailed in **Annexure - XIII**.

Despite the fact that the concerned Executive Engineer (Road-IV) furnished the reports in time, the Department failed to finalise the outstanding dues recoverable from the Contractor for a considerable period (November 2014). As a result the outstanding dues got accumulated to ₹1.26 crore. The department also did not make adequate effort for recovery of dues as even the notices were not issued at reasonable intervals. The department issued only three notices on 1 July 2011, 2 December 2013 and 14 November 2014.

It was interesting to note that though the Contractor stopped making payment after April 2013, the clauses 6E and 6D were not invoked.

The department stated (October 2014) that the delay in determining the actual license fee in respect of Parking Lot Group 1 to V was due to delay in receipt of reports from various authorities such as Engineering (Civil), Engineering (Electrical), DMRC etc. It was further stated that the concerned files being under submission, the detailed reply will be furnished as and when these are received back.

Further, Department stated (August 2015) that the Department has issued recovery notice to all defaulters and recovery of outstanding dues ₹37.32 lakh plus interest ₹5.06 lakh from security amount in r/o Gr-I (Sh.Pintu) is under process.

The reply is not tenable as the outstanding dues are still pending against the defaulters.

The framework for co-ordination, monitoring and recovery of dues should be set in advance with clear responsibility fixed, so that the dues are recovered in time and accumulation of outstanding is avoided.

3.2.3 Other Licensees

In addition to Parking Lots, NDMC has allotted various types of Booths/Tharas/Stands etc. to the vendors on license basis. As on 31 March 2014 1127 Nos. of various kinds of Booths/Tharas/Taxi Stalls as indicated in the table below stand allotted to the licencees.

(i) Audit observed that as on 31 March, 2014, license fees amounting to ₹1.14 crore was outstanding against 755 of such licensees as shown in the table given below:

Table 3.7

Particular of License	No of Licensees (as per N.D.M.C. web site)	License fee chargeable p.m.	No of Licensees Defaultee	Amount outstanding as on 31.3.2014 (₹ in Lakh)
Thareja Verified Tehbazar	721	₹22 & ₹33 per Sq.ft	508	51.11
Press Platform Thara-	58	₹528	55	24.31
Old Tehbazari -	165	₹22 & ₹33 per Sq.ft	114	15.18
Taxi Stalls	10	₹1000	7	7.56

Cycle Repair Thara	27	₹22 & ₹33 per Sq.ft	19	7.36
Mochi Thara	44	₹22 & ₹33 per Sq.ft	14	1.72
Taxi Booths	82	₹250-₹1000	34	6.38
PCO Booth	20	₹22 & ₹33 per Sq.ft	4	0.23
TOTAL	1127		755	113.85 say ₹1.14 crore

Source: Demand & Collection Register of Booths/Tharas/Stand/ for the year 2013-2014.

(ii) In order to ascertain the reasons for non-recovery of dues a sample of 110 cases out of total 755 cases of defaulters was drawn and examined in Audit. It was observed that issuing of the notices to the defaulters is not done based on period or outstanding amount of default, but on purely discretionary basis.

(iii) The dealing assistant is required to initiate proposal for issuing notice to the defaulter licensee under the signature of Jt. Director. In case the licensee does not pay the outstanding amount even after serving of notice, the cancellation order is issued with the approval of the Chairman. The order is served upon the licensee and copy is endorsed to the area Inspector to take possession of tharas. Thereafter, these tharas are not allotted to any party. In 110 cases examined by audit involving outstanding amount of ₹32.50 lakh as on 31 March 2014 as shown in **Annexure-XIV**, Joint Director issued only 59 notices to 45 defaulters and of these cancelled only 13 licenses as detailed below:

Table 3.8

Total Defaulters as on 31 March 2014-----755

Cases Examined -----110

No of cases of defaulters examined	Range of amount outstanding as on 31March 2014	No of notice issued to the defaulters	Period during which notices were issued	Remarks
53	From ₹3878 to ₹75241	Nil	No notice issued	
38	₹10296 to ₹95800	7 38	April 2012 to March 2013 April 2014 to November 2014	Though all the 31 parties were in default since April 2013
13	₹5544 to ₹95800	21 notices to 13 parties	April 2012 to March 2013	
13	₹33758 to ₹113620	Cancellation orders	2012-13 (1) 2013-14 (5) 2014-15 (7)	
Total 110 cases		59 notices and 13 cancellation orders		

(iv) It may be seen from above that the Department was not regular in pursuing the recovery through notices/cancellation orders. No notice was issued to 53 defaulters during April 2011 to November 2014 although substantial amount (₹12.75 lakh) was outstanding against them as on March 2014. Out of 59 notices issued to 44 defaulters, 31 notices were issued only after 1 April 2014 although a substantial amount (₹9.07 lakh) was outstanding against them.

(v) Further, examination of files revealed that there was subjectivity in cancellation of licences of defaulters as 13 tharas were cancelled where outstanding amount ranged between ₹33758 to ₹113620, whereas the Department did not initiate action for cancellation in 21 cases where the outstanding amount was more (₹33848 to ₹95800).

(vi) In cases where licences were cancelled on account of non- payment of licence fees, the Department did not make any effort for the recovery of outstanding amount even after cancelling the licenses.

(vii) Audit also observed that except in case of taxi stands, there exists no provision for levying interest on delayed payment of licence fees in the allotment letters **which is an essential clause** to arrest the tendency of non-payment/ delayed payment of dues.

The Department stated (October 2014) that now the cases are being reviewed and demand notices to the defaulter parties are being issued and licenses of the defaulters are being cancelled and substantial amount has already been recovered. It was also stated that the department is now streamlining the monitoring system to minimize the accumulation of outstanding dues and steps taken by the department and outcome of the steps will be noted to audit.

Further, Department stated (August 2015) that recovery notices has been issued to defaulters from time to time and recovered some outstanding dues.

The Department has recovered an amount of ₹7.74 lakh (July 2014 to March 2015). However, dues of ₹1.14 crore (as on March 2014) against the defaulters is still outstanding.

The Department should make efforts for development of monitoring mechanism for the recovery of dues.

The department needs to streamline its monitoring and recovery mechanism so that the dues are recovered in time. The register of outstanding dues, notices issued and cancellation orders etc should be maintained electronically which will also facilitate the Department to generate various MIS reports for effective monitoring of the outstanding dues. Provision of levy of interest on outstanding amount needs to be included in the terms and conditions of the allotment letters.

3.2.4 Demand & Collection Registers

Demand & Collection registers (D & C register) which contain name & address of license holders, monthly license fees, amount outstanding, area and location of parking lots, tharas, taxi stands etc. are the vital records for monitoring and recovering the dues from the allottees. Any scope of error, manipulation and discretion in these registers undermine fair and transparent functioning of the department. Monitoring by the field personal is impossible without proper maintenance of D & C registers.

The Department is maintaining nine D & C register in a financial year for 1132 licencee of nine categories viz Parking, Thareja Verified, Old Tehbazari, P.P.Tharas, Mochi Tharas, Taxi Stalls, Taxi Booths, PCO Booths, CRT.

As these registers are the basic records, these are required to be maintained and supervised properly. There should not be any scope of error, manipulation and discretion in these records which will undermine fair and transparent functioning of the department.

Scan copy of D & C register maintained by the Department is indicated as below :

CRT - 2012-13

NEW DI
भवनों एवं भूमि खण्डों
DEMAND AND COLLECTION RE

क्रम सं. Serial No.	परिसर सं. एवं स्थान Premises No. & Locality	अधिभोगता या पट्टेदार का नाम Name of Occupant or Lessee	आवंटन के लिए प्राधिकार Authority for Allotment	तिथि Date of		लाभसँस शुल्क दर Rate of L. Fee	मांग Demand बिल Bill		पिछला बकाया Arrear		अधिक Excess Rs.	As
				अधिवास ग्रहण करने की तिथि Occupation	अधिवास खाली करने की तिथि Vacation		संख्या No.	दिनांक Date	लाभसँस शुल्क L/F Damage Rs.	ब्याज Interest Rs.		
2	CRT at Marina	Sh. Hanichand										
	Hotel											
20	CRT at P.K. Road	Sh. Mulekh Raj								64040		3
				Cancelled vide order of Chairman on 10-12-2013								
21	CRT at Central	Sh. Sri Ram										
	Secretariat Church Road.											
22	CRT at Church	Smt. Indrawati Devi								61711		2
	Road											
23	CRT at Baird	Sh. 2d Prakash								36952		
	Road											
24	CRT at Kali	Sh. Hans Raj								63417		
	Mandir Kalibari Mang											
				Cancelled on 29-10-2013 vide Chairman's order on 10-12-2013								
25	CRT at Baird	Sh. Joseph Mangy								98264		
	Road											
26	CRT at P.K.	Sh. Chhotey Lal								67912		
	Road											
				Cancelled								
27	CRT at Dr.R.P.	Sh. Bharat Singh								392216		
	Road											

Audit examination of D & C registers revealed that there are serious flaws in the internal control mechanism of the entries made by the Assistants were not being supervised by the concerned Section officer and other senior officers. There are frequent overwritings and deletions without any initials. As a result the following irregularities took place:

(a) The outstanding closing balances at the end of a month were incorrectly carried over to the next months. In total, in 34 of such cases an amount of ₹2.08 lakh was less carried forward to the subsequent months without recording any reasons thereof to opening balance in next month as indicated below :

Table 3.9

	Type of Thara	S. No. of D&C Register	Name of Allottee	Month & Year	Closing Balance of the month	Opening Balance Taken in next month	Difference (₹)
1	Thareja Verified	409	Data Singh	Dec. 13	3696	3168	528
2	Thareja Verified	411	Inderjeet Singh	Dec. 13	4224	0	4224
3	Thareja Verified	413	Jamuna	Dec. 13	8812	2476	6336
4	Thareja Verified	415	Ram Avtar	Dec. 13	37092	34056	3036
5	Thareja Verified	416	Jitender Sharma	Dec. 13	1056	792	264
6	Thareja Verified	417	V. P. Singh	Dec. 13	2376	264	2112
7	Thareja Verified	418	Puran	Dec. 13	33408	31296	2112
8	Thareja Verified	421	Swami Dass	Dec. 13	36488	32264	4224
9	Thareja Verified	422	Chhago Ram	Dec. 13	792	396	396
10	Thareja Verified	424	Narayan	Dec. 13	1584	528	1056
11	Thareja Verified	425	Ram Phal	Dec. 13	36494	32270	4224
12	Thareja Verified	287	Laxmi Narayan	Sep. 13	45304	43304	2000
13	Thareja Verified	11	Suresh Kumar	May. 13	2376	396	1980
14	Thareja Verified	233	Shanti Devi	Nov. 13	23760	2376	21384
15	Thareja Verified	134	Usha	May. 13	5412	-5412	10824
16	Thareja Verified	157	Yogesh Kumar	Feb. 14	1584	-1584	3168
17	Thareja Verified	548	Banwari Lal	Feb. 14	18612	8612	10000
18	Thareja Verified	567	Raj Kumar	Aug. 13	54444	5444	49000
19	Mochi Thara	22	Ram Prasad	Jul. 13	42850	42630	220
20	Mochi Thara	27	Ram Chander	Jul. 13	1807	1510	297
21	PP Thara	9	Jagmohan	Aug. 13	58286	57758	528
22	PP Thara	7	Phoolwati	Nov. 13	51108	51058	50
23	PP Thara	7	Phoolwati	Dec. 13	51586	51186	400
24	PP Thara	21	Bansi Singh	Jun. 13	16940	16440	500
25	Old Tehbazari (N)	76	Sailender	Jan. 14	35621	3562	32059
26	Old Tehbazari (N)	105	Satya Pal	Sep. 13	14188	-14188	28376
27	Old Tehbazari (S)	1	Subrati	Jul. 13	10560	1056	9504
28	Old Tehbazari (N)	5	Narain	Dec. 13	10184	8996	1188
29	Old The Bazari (N)	10	Mam Raj	Mar. 14	45342	44679	663
30	Old The Bazari (N)	37	Icha Devi	Aug. 13	2376	-2376	4752
31	Old The Bazari (N)	47	Jai Prakash Goel	Apr. 13	356	-356	712

32	Old The Bazari (N)	73	Kishan	Jun. 13	528	0	528
33	Old The Bazari (N)	98	M/s New Friends	Nov. 13	4950	4680	270
34	Old The Bazari (N)	122	Suresh Chand	Dec. 13	792	-792	1584
				Total			208499 Say ₹2.08 lakh

Had there been proper internal control, these irregularities could have been detected at initial stages. As the issues are serious, all the D&C registers needs to be reviewed thoroughly and necessary action to avoid the reoccurrence of such lapses needs to be taken.

The Department stated (October 2014) that necessary correction has now been made in the Demand & Collection Register. However no details of action taken were provided to Audit.

(b) The Council, w.e.f. 01.04.1986 had fixed the rate of open Tehbazari at ₹15 per Sq. ft per month for Connaught Place area and ₹5 per Sq. ft per month for other than Connaught Place area. These rates were revised to ₹33 per Sq. ft. per month and ₹22 per Sq. ft. per month respectively w.e.f. 01.09.2004.

The Department, however, has been recovering license fee at rates applicable for other than Connaught Place area from 22 allottees of Thara located in Connaught Place area. Consequently, it has recovered lesser amount of licence fees. The impact of under-recovery as worked out by Audit for the period April 2013 to March 2014 works out to ₹48048 per annum as indicated in **Annexure - XV**.

The Department (October 2014) stated that the demand notes would be revised and issued shortly to the allottees.

The department needs to review all these cases and work out and recover the total under-recovery made from these allottees.

(c) Other shortcomings

(i) The department has displayed the list of licensees on the NDMC website. However, the details of 20 licensees recorded in the D & C Registers (10 Old Tehbazari, 7 of Thareja Verified, two Taxi Booths, two Mochi Thara and one Press Thara) were not appearing on the web-site.

(ii) The D & C registers were not page numbered and certificate regarding total number of pages on the first page of the register was not recorded. (Parking Lots, Tharas, Taxi Booths)

(iii) The size of tharas was not indicated in the registers though the same is directly related with the license fees. In absence of size of Tharas, Audit could not be verify that correct licence fees was being recovered. (Tharas of Cycle Repair, Mochi Booth, egetable, Press, PCO, Old Tehbazari, Thareja Verified, Taxi Booths and Stands).

(iv) Totaling of arrear amount and demand amount as recorded in the register were incorrect. Some instances of such inaccuracies shown in the **Annexure - XVI**. (Tharas of Cycle Repair, Mochi Booth, Vegetable, Press, PCO, Old Tehbazari, Thareja Verified, Taxi Booths, Stands)

(v) There were several cuttings and over writings in the register which were not attested by the concerned Section officer. (**Annexure - XVII**)

It is obvious that this fundamental record is left at the mercy of dealing assistants and no checks and balances exist at any level in the Departmental mechanism. This is contrary to sound financial practice.

On being pointed out by Audit, the Department issued directions (November 2014) for taking the remedial actions.

Further, Department stated (August 2015) that they are making efforts to computerize D&C Register to avoid frequent errors.

The Department should make vigorous efforts for computerization of the records.

In order to avoid the above shortcoming, the Demand & Collection Registers should be digitalized which will disallow invalid entries like wrong carrying over and wrong levy of licence fee. It will also facilitate the Department to generate various MIS reports for effective monitoring of the dues recoverable from the licensees.

3.2.4.1 Non - Maintenance of Store Records of impounded Vehicle/goods

The Department is responsible for removal of unauthorized encroachments, hoardings, banners, cycle-rickshaws and unauthorized parked vehicles and squatters on municipal land under the provision of Section 225 and Section 226 of the New Delhi Municipal Council Act, 1994.

The area inspector seizes goods/articles from unauthorized squatters and unauthorized parked vehicles from the NDMC area and deposit these in NDMC store at Laxmi Bai Nagar. The owners of these goods apply to the Joint Director (Enforcement) for release of his seized goods/article/vehicles after the concerned area inspector verifies the goods/article seized by him.

Joint Director (Enforcement) imposes the fine/removal/ store charges. The store keeper collects the amount of removal/stores charges and deposits the cash in the main Cash Branch of NDMC.

In this context, the following shortcomings were noticed:

- (a) The Raiding Inspector does not furnish the list of vehicles lifted from un-authorized parking area along with the vehicles. The same is prepared by Store Keeper on receipt of the vehicles in the Store. As a result, it cannot be ensured that all the vehicles seized by the Area Inspectors have been deposited in the store.
- (b) Physical verification of impounded vehicles/goods is not being conducted once in a year in compliance of Rule 192 (2), Rule 192 (3) GFR³.
- (c) The penalty/removal and store charges imposed on the owners by the competent authority varies from ₹100 to ₹5000. The basis for charging with different rates were neither on record nor explained to Audit.
- (d) Register of Composition of Offences (under Section 226 of NDMC. Act) was not countersigned by Dy. Director (Enforcement) after 1st April 2013.
- (e) The records of owner's applications and approval taken thereon from Dy. Director (Enforcement) to release their goods were not maintained in the store.

On being pointed out, the Department instructed (November 2014) the store keeper and raiding Inspectors to keep proper records and stock register.

Further, Department stated (August 2015) that they are maintaining proper store records of impounded vehicles/goods.

The Department has not informed the action taken specifically on the observations raised by Audit.

3.2.5 Non compliance of Council decision

On 26th August 2004, the Council while deliberating the issue of Tehbazari rates observed that the open Tehbazari rates were last fixed in 1986 when the land rates were 13000 per sq. m and though the land rates had increased to 57950 per sq. m (4.45 times). The Tehbazari rates remained the same. **However, in order to avoid sharp increase in the tehbazari rates, it was decided to increase the Tehbazari charges by 30 per cent every five years which would mean an increase of 2.2 times in 2001 over 1986 as against 4.45 times on the basis of land rates.** Accordingly, the rate license fee was increased to ₹33/ per sq.ft. from 01.04.2001 till 01.04.2006 for C P area and ₹22/- per sq.ft. for other areas. The revised rates were, however, applicable from 01.09.2004 and no arrears prior to 01.09.2004 were to be collected. This shall also cover cases in which Tehbazari was allotted as per Supreme Court Order to Thareja Verified persons”.

³ Rule 192(2) provides “A physical verification of all the consumable goods and material should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority.”
Rule 192(3)-(i) provides “Verification shall always make in the presence of officer responsible for the custody of the inventory being verified.

(ii) A certificate of verification along with the findings shall be recorded in the stock register

(iii) Discrepancies, including shortages, damages and unserviceable goods if any, identified during verification shall immediately be brought to the notice of the competent authority for taking appropriate action.”

Thus, as per the Council decision, next increase of 30 *per cent* of tehbazari rates was due on 1 September, 2009. However, Audit observed that no revision of rates has so far been taken place (October 2014).

Further examination of records revealed that it was only in September 2013, when concerned Sr. Assistant initiated the proposal for revision of Tehbazari rate however, the Director (Enforcement) sought advice of Adviser (Revenue). In response, the Adviser stated (September 2013) "The Supreme Court has directed setting up of the Vending Committee as per 2009 guidelines of the Government of India. The said committee is to be established by Mid October 2013 and this Committee will fix the Tehbazari charges. Let us wait License fee of Open Tehbazari". However, audit noted that the Department had not moved any proposal for revision of Tehbazari fee to Vending Committee. Further, the frame work of the Vending Committee as circulated by the Director (Personnel) in October 2010 does not include revision of Tehbazari rates.

Thus, due to this delay in implementation of Council decision for revision of Tehbazari fee, NDMC could not recover enhanced license fee of Rs.96.36 lakh from the license holder of Tharas for the period from 1st September 2009 to 31st August 2014 as shown in the table given below:-

Table – 3.10

(In ₹)

	Type of Tharas	License fee Demand for the Year 2013-14	License fee Demand required to be increased by 30 per cent	Under Assessment Per Year	Under Assessment for five Years (01.09.2009 to 31.08.2014)
1	2	3	4	Col.3-4=5	Col.5x5yrs=6
1	Mochi Thara	126588	164564	37976	189880
2	Cycle Repair Thara	127908	166280	38372	191860
3	Press Thara	361152	469497	108345	541725
4	Thareja Verified	4603104	5984035	1380931	6904655
5	Vegetable Tharas	110880	144144	33264	166320
6	Old Tehbazari	1094304	1422595	328291	1641455
Total		6423936	8351115	1927179	9635895 Say ₹96.36 lakh

Source D&C Register

The Department informed (October 2014) that the case had been submitted to the higher authorities for revision of rates. However, no reasons of the delay were given to audit.

Further, Department stated (August 2015) that the Tehbazari charges have been fixed for street mentioned in the NDMC Scheme for street vendor which has been submitted to the Govt. of NCT of Delhi. The same is yet to be notified by the Government.

The Department has yet not achieved the compliance of Council's decision.

The department should examine the reasons for delay and fix the responsibility for non-compliance of the Council decision of 26th August 2004. The department should also devise a suitable mechanism to avoid the reoccurrence of such lapses.

3.2.6 Hiring of Raid Vans and Cranes beyond specified hours

The Department is lifting the unauthorized goods; removing encroachment from the entire NDMC area for which 6 raid vans and 5 cranes were hired.

As per terms and conditions of agreement (clause 8) for hiring of vans and cranes, the operating hours were from 11 AM to 8 PM .In case the vehicles are utilized beyond these specified hours or are utilized on Sundays/Gazetted holidays, the contractor was to be paid for extra hours on pro-rata basis (clause 9). It is thus, implied that the vehicles were normally to be utilized from 11AM to 8 PM on working days and only in emergent/exceptional situations, these were to be utilized beyond specified hours/Sundays and holidays. However, it was noticed that the department utilized these hired vehicles invariably generally from 9 AM to 8 PM. Also, these vehicles were frequently utilized on Sunday and holidays that too without recording any justification thereof and obtaining the prior approval of the Director (Enforcement).

The NDMC paid hiring fees for 6 Raid Vans of ₹91.53 lakh and for extra hours of ₹25.27 lakh which is 27.60 *per cent* and for 5 Cranes of ₹98.16 lakh and for extra hours of ₹24.71 lakh which is 25.17 *per cent* above the regular payment of 9 hours.

The Department stated (October 2014) that in this case approval of the competent authority would be sought at the time of making payment of hiring fee.

As the use of these vans and cranes beyond specified hours and days was to be made only on emergent situations, the use of the vans and cranes regularly beyond the specified hours and days requires investigation at appropriate level.

Further, Department stated (August 2015) that 'there are such emergent circumstances in which it is necessary to call the Raid Vans and Cranes in odd hours on the days/Sundays other than the hours specified in the NIT. Some of market like Sarojini Nagar, Gole Market, Janpath & Palika Bazar are operational even on Sunday as well as gazetted holidays. The vehicles hired are being used as per day to day requirement by the respective area inspectors. Besides this, the vehicles called in odd hours due to exigency it noticed. However, at most of the time all the vehicles not been called on Sunday/gazette holidays and for making payments on pro-rata basis for the extra hours other than the time specified in the NIT have been made by the Director (Enforcement) being the Competent Authority. Moreover, the extra hours certified by the area inspector and countersigned by the MI(HQ)/DD(Enf.) as per NIT.'

The Department failed to justify the payment of hiring fee for extra hours about 27.60 % above the regular payment.

CHAPTER - 4

Investment Department

Performance audit of Investment Department

4. Introduction

In terms of Section 52 of the New Delhi Municipal Council Act, 1994 (Act), surplus funds which cannot be immediately applied for the purpose specified in Section 50⁴ of the Act need to be deposited in the State Bank of India or in such scheduled bank or other banks as the Council may select or be invested in public securities.

As such the NDMC has been investing their surplus funds in banks. The table below indicates the quantum of investment of surplus funds in banks during last three years:

Table- 4.1

(₹ in crore)

Year	Opening Balance	Deposited during the year	Matured during the year	Net Investment made during the year	Closing Balance of investments at the end of the year
1	2	3	4	5 (3-4)	6 (1 + 4)
2011-12	3734.60	549.63	790.00	-240.37	3494.23
2012-13	3494.23	1608.00	1469.18	138.81	3633.04
2013-14	3633.04	2339.00	2066.81	272.19	3905.23

Audit had earlier conducted a similar review on investment decisions of NDMC covering the period from the year 2005-06 to 2010-11 and audit findings thereof were included in the Annual Audit Report, NDMC for the year ended 2011.

4.1.1 Audit Objectives

The investment decisions made by the investment branch were scrutinized with the object to find out whether:

- the funds were invested in conformity with of the Investment Policy approved by the Council;
- the rules and regulations and the orders/instructions issued by the Government of India from time to time with regard to the investment of Government funds were strictly adhered to by the Investment Branch;

⁴ All sums, charges and cash necessary for carrying out the provisions of the Act and of the rules, regulations and bye-laws made there under or of which payment is duly directed, sanctioned or required by or under any of the provisions of the Act.

- the assessment of surplus investable funds were correctly made;
- any surplus funds remained unutilized, period of non-utilization and loss of interest due to non-utilization;
- Investment of surplus funds at lower rate of interest as compared to higher rates offered by other banks resulted in loss of interest.
- all-out efforts were made to obtain best rate of interest amongst the selected banks;
- any unsafe investments were made.

4.1.2 Scope of Audit and Audit Methodology

The audit was conducted in November -December 2014 through scrutiny of the records of Investment and Fund Branch for the period 2011-12 to 2013-14 to check that the surplus funds are invested as per the Investment Policy of the Council and Government Rules and Regulations in the best interest of the NDMC.

4.1.3 Audit Criteria

The main audit criteria were:

- The relevant provisions in the New Delhi Municipal Council Act 1994.
- Investment policies of the Council approved from time to time.
- Council Resolutions.
- Best practices for maximizing return keeping in view the Risk, Liquidity, Maturity and Return on investments made.
- Department of Public Enterprises (DPE) Guidelines for Investment of Surplus Funds by Public Sector Entities

4.2 Audit Findings

4.2.1 Deficiency in assessment of surplus funds

As per investment policy (1996), a Committee of officers headed by the Financial Advisor will take decision on placing the FDs/CDs with the empanelled banks. The Committee should meet once a fortnight and all decisions for investment of funds should be recorded with complete transparency.

Audit noticed instances where decisions given by the Investment Committee in the minutes of meetings did not have clarity/logics in support of decision to invest surplus funds. Investment of surplus funds were made for the amount of book balances shown in current account of NDMC account instead of whole investible funds assessed in Inflow/Outflow Statements as given below:

(a) Investments of surplus funds were made for the balances lying in cash/bank ignoring whole surplus funds assessed based on inflow/outflow statements as given below:

(₹ in crore)

Period of assessment based on Inflow/out flow statement	Date of investment	Amount available for investment (inflow/outflow statement ⁵)	Actual Investment made	Less amount invested (excluding 3 crore to be kept as a cushion)
18-4-11 to 30-4-11	20-4-11	79.67	30.00	46.00
16-5-12 to 31-5-12	18-5-12	88.29	30.00	11.00
16-9-12 to 30-9-12	20-9-12	71.95	50.00	18.00
16-10-12 to 31-10-12	16-10-12	55.04	25.00	27.00
17-12-12 to 31-12-12	17-12-12 & 28-12-12	310.49	260.00 30.00	17.00
			Total	119.00

There was nothing on record as to why investment of lesser funds was made.

(b) Investment under Corporate Liquid Term Deposit (**CLTD**) Scheme of SBI is a current account product to cover such section of high valued non-individual customers who have surplus funds for investments, but at the same time need the convenience of liquidity. In case of adequate balances in the current account for payment of the cheque, the shortfall amount is broken from the CLTD through reverse sweep facility. There is no penalty for premature withdrawal for term deposit under CLTD for tenors up to 1 year.

The Investment Committee decided to invest surplus funds in CLTD with SBI when funds are not sufficient to meet the anticipated requirement of payments. By availing this facility, NDMC earns interest on the surplus funds lying in its current account till the time, funds are required for making payments.

Audit noticed following instances where Investment Committee did not invest whole amount of Investible funds in CLTD with SBI and nothing was mentioned in their minutes of meetings in support of their decision. Since funds invested in CLTD can be withdrawn at any time without any penalty, decision for not investing whole amount lying in the current account involve financial implication for losing interest on less amount invested as given below:

(₹ in crore)

Period of assessment based on Inflow/out flow statement	Date of investment	Investible amount as per bank balance in current account with SBI	Investment made in CLTD with SBI	Interest & period for which investment was made	Less amount invested (excluding 3 crore to be kept as a practice)
16-7-12 to 31-7-12	26-7-12	127.33	100.00	8% for 90 days	24.00
01-11-12 to 15-11-12	05-11-12	94.04	50.00	7.5% for 90 days	41.00
22-2-13 to 28-2-13	25-2-13	100.00	75.00	7.5% for 10 days	22.00
15-03-13 to 31-03-13	18-03-13 & 22-3-13	135.72	100.00 (50+50)	7.5% for 30 days & 15 days	32.00
16-05-13 to 31-05-13	27-05-13	140.00	75.00	7.5% for 15 days	62.00
			Total		181.00

The Department stated (August 2015) that they have to assess and invest the surplus fund keeping in view the anticipated immediate liabilities falling due at the fag end of the month

⁵ Including funds lying in current accounts

on account of disbursement of salary, pension and also major liabilities of anticipated payment of bulk purchases of electricity carried out by the Power/Commercial Deptt., which is usually made in the first week of the ensuing month.

The reply is not tenable as the Surplus funds are assessed every fortnight keeping in view all anticipated receipts/liabilities. Further ₹3 Crores have been excluded as a cushion while working out the investible amount. Thus, the loss of interest by investing less on surplus amount (excluding ₹3 crores to be kept as a cushion) is not justifiable.

4.2.2 Delays in investment of funds

As per practice, the Investment Department invests surplus funds with various empanelled banks, which have quoted highest rates of interest, on the recommendations of the Investment Sub-Committee meant for investment of funds within first five days of each fortnight after assessment of funds i.e. 1st & 16 of every month.

Audit observed that the Investment Department has been assessing availability of funds every fortnight in the form of inflow/outflow statements. However, there have been delays up to 11 days in holding of meetings of Investment Committee. The delays in investment of funds resulted in loss of interest of ₹2.35 crore in 54 cases during the period from April 2011 to March 2014 which could have been earned by the council by investing the funds timely⁶ (**Annexure - XVIII**).

The Department stated (August 2015) that to invest the entire amount actually becoming available during the fortnight is not advisable but we have to keep the provision for immediate anticipated future liabilities.

The reply is not acceptable as the para relates to delays in investment of funds and not to the amount to be invested.

4.2.3 Accepting lower rate of interest ignoring higher offer of rate of interest

As per policy (2005) and brief note no. 209 dated 13-10-2011 regarding investment of surplus funds, State Bank of India should compete with other empanelled banks and investible funds should be parked on the basis of only the highest quoted rates because no additional safety of funds was in sight with the investment of Rs.400 crore in SBI at lower rate of interest.

Audit noticed that the Investment Committee decided to invest ₹30.01 crore to State Bank of India ignoring offer of higher rate of interest given by the other Public Sector Bank (Indian Overseas Bank @ 8.80%) **on the ground that SBI is our main banker with highest net worth among all banks**. This resultant loss of interest was ₹42.50 lakh as given below:

⁶ Excluding 5 days after assessment of funds fortnightly which has been the practice of the Department for holding of meetings of Committee

Minutes of meetings	Investment of funds				Offer of Higher rates was ignored.	Loss of interest due to ignoring higher rate of interest
	Name of Bank	Amount invested	Rate of interest	Period		
08.07.2013	State Bank of India	30.01 crore	8.75 %	4 year 11 month 29 days	The committee did not consider investing funds in Indian Overseas Bank @ 8.80%	7.50 lakh

Further, Investment Committee also ignored higher rate of interest and decided to invest on lower rate on **the ground that either net worth was highest or assuming interest rate in future may be reduced**. Instances are as under:

Minutes of meetings	Investment of funds				Offer of Higher rates was ignored.	Loss of interest due to ignoring higher rate of interest
	Name of Bank	Amount invested	Rate of interest	Period		
04.09.2012	Bank of Baroda	3.50 cr	9.25 %	1-3 years	Higher rate of interest of Vijaya Bank @ 9.30% for the same period was ignored.	0.52 lakh
05.10.2012	Axis Bank (Private Bank)	40 cr	9.10%	4 year 11 month 29 days	Higher rate of Bank of Baroda (Public bank) @ 9.25% upto ₹4.00 crore for a period of 1 to 3 years was ignored.	1.80 lakh

This departure from policy was attributed by the Department (March 2014) to the Sub-Committee.

The Department stated (August 2015) that the Investment Committee decided to invest ₹30.01 crore with SBI being their main Banker with highest networth amongst all of the Banks quoted the rate of interest.

The Department failed to justify the investment of ₹30.01 crore @ 8.75% with SBI instead of availing the benefit of interest @ 8.80% p.a. on investment upto ₹9.99 crore for a period of 18 months with Indian Overseas Bank. They also remained silent on investment of ₹3.50 crore @ 9.25% with Bank of Baroda instead of availing the benefit of interest @ 9.50% p.a. on investment of ₹5 crore for a period of 400 days with Vijaya Bank and investment of ₹40 crore @ 9.10% with Axis Bank instead of availing the benefit of interest @ 9.25% p.a. on investment of ₹4 crore for a period of 01-03 year with Bank of Baroda.

4.2.4 Issues relating to Investment Policy

In the background of liberalization of the economy, rise in NPA of the Nationalised Banks, impending disinvestment of some of the public sector banks and Department of Public Enterprises (DPE) Guidelines, the Council reviewed investment policy in March 2002. It was decided that:

- Investments can be made in any scheduled bank i.e. banks incorporated in India with a specified minimum Net Worth, Capital Adequacy Ratio norms prescribed by RBI and credit rating established by two domestic rating agencies viz CRISIL and ICRA.
- In order to diversify the investment portfolio of NDMC, the Council also recommended a capping limit of Rs 150 crore in each bank. The State Bank of India (SBI) was, however, exempted from this limit.
- Regarding investment in public securities, the Council recommended appointing a consultant to examine the possibility in public securities and other financial instruments as approved by the Ministry of Finance for public sector units.
- Due to frequent changes in economic policies, it was also recommended that investment policy may be reviewed every year.

Audit observed that though the investment policy was reviewed in the years 2003, 2005, 2006 & 2010, the following recommendations given in the current Investment Policy are yet to be implemented (December 2014) :

(I) Non- adherence of provision regarding Credit Ratings

Investment Policy (2005) stipulates that in order to ensure adequacy and safety of funds to be invested, credit ratings of empanelled banks by CRISIL & ICRA which are the two most established rating agencies approved by the RBI, should be considered.

Audit observed that Investment Branch had not considered credit ratings in respect of nationalised bank/scheduled banks. Credit rating of Private banks were considered on single rating by credit agency instead of two ratings i.e. CRISIL & ICRA.

Audit also examined current CRISIL & ICRA credit ratings of 11 private banks (as on 15 January 2015 downloaded from website) which are given as under:

	Private Banks	ICRA Ratings	CRISIL Rating
1	Axis Bank	Long Term AAA Short term A1+ (Stable)	Certificate of deposit A1+ (Stable)
2	ING Vysys Bank	Not given	FAAA/Stable(Reaffirmed)- FD/Certificate of deposit A1+ (Stable)
3	Indusind Bank	AA+(Stable)	Short term deposit P1+ (Stable) Certificate of deposit A1+ (Stable)
4	DCB Bank	Short term A1+ (Stable)	Certificate of deposit A1+ (Stable)
5	HDFC Bank	Short term A1+ (Stable)	AAA (stable)
6	ICICI Bank	Long term AAA, Medium term MAAA, Short term A1+(Stable)	Perpetual tier I bond AA (stable) Pass through certificate A1+ (Stable)
7	J & K Bank	Not given	Not given
8	Karnataka Bank	Long Term A (Stable), Short term A1+	Not given
9	Karur Vysya Bank	Long Term A+ (Positive), Short term A1+	Not given
10	Kotak Mahindra Bank	Long term AAA (Stable)	Lower tier II & upper tier II Bonds (L T) AAA , (Stable) FD/Certificate of deposit A1+ (Stable)
11	Yes Bank	Short term AA+ (Stable)	A provisional rating under Pass Through Certificate (PTCs).

The table indicates that ING Vysya, Karnataka Bank & Karur Vysya Bank has been rated by CRISIL only. J&K Bank has not been rated by any of the two rating agency. Yes Bank has been rated by ICRA and CRESIL has assigned a provisional rating.

The issue of credit rating was also raised during last review. The Investment Branch replied (March 2014) that banks once considered for empanelment with NDMC cannot be withdrawn only on the basis of said rating, when funds of NDMC are already invested in such banks and all other parameters are fulfilled.

Audit is of the view that credit rating is an important criterion for adjudging the security of funds invested in the banks. The SCAN in their meeting held in April 2014 also directed the Department to either follow rating criteria strictly or review the investment policy. However, the above directions of SCAN are yet to be implemented (December 2014).

The Department stated (August 2015) that the authorities have desired that the Department should carry out wider study of all the relevant factors before the case is noted to the Council for consideration and finalization of investment policy of the NDMC. Action will be taken on the position observed and advice rendered by the Audit for review of NDMC Investment Policy.

The Department should take into account the credit rating criteria as stated in existing policy till the review/finalization of the Investment Policy, leads to changed criteria.

(II) Investment made above the capping limits

Audit noticed that surplus funds have been invested in banks over and above its capping limit. The details of continued investment of surplus funds in banks whose capping limits had already been exceeded is shown below:

(₹ in crore)

Name of bank	Date of investment	Amount invested	Additions of amount already invested	Less amount of investment matured	Net investment	Existing capping limit including 25%	investment above the capping limit
Yes	20-12-2011	50.00	272.00	0	322.00	312.50	9.5
	06-01-2012	4.00	322.00	0	326.00	312.50	13.5
	09-01-2012	50.60	326.00	0	376.60	312.50	64.10
	06-03-2012	2.00	376.60	0	378.60	312.50	66.10
	12-03-2012	0.85	378.60	0	379.45	312.50	66.95
	09-04-2012	15.50	379.45	60.00	334.95	312.50	22.45
Karnataka	01-04-2011	0	350.00	10.00	340.08	312.50	28.30
	30-09-2012	0	340.08	20.00	320.08	312.50	08.30
	20-11-2012	6.45	320.08	13.00	314.25	312.50	1.75
Canara	21-05-2013	760.118	259.47	0	1019.59	1000.00	19.59

Earlier, the Department had stated that funds beyond the capping limit were invested due to rescheduling of FDRs to earn more interest.

However, the examples quoted above indicate that the practice of investing the funds in the banks over and above the capping limit fixed still continues, though there was no issue of rescheduling of FDRs in the above cases.

The Department stated (August 2015) that originally invested amount with these Banks was under their capping limit, but to earn higher rates of interest, all investments with interest were restructured due to which the principal amount was raised beyond their capping limits, hence, the principle of capping limit has not been overlooked. NDMC had no option in such cases, as the restructuring at enhanced rates was to be done with the same Bank.

The reply is not acceptable as the Department failed to revise the capping limit despite the recommendations issued by the Standing Committee on Audit in NDMC in April 2014.

(III) Investment in Public Securities and Financial instruments

Despite clear provisions in the Act and approved Investment Policy, the Department did not explore the possibility of making investments in public securities and other financial instruments as approved by the Ministry of Finance for public sector units. The entire portfolio of surplus funds was being invested exclusively in the banks.

The Department stated (August 2015) that the objective of the Council is to park the surplus funds for the period when they are not actually required to discharge any functions and not to invest the same for the profit. Investment for longer period of maturity is also likely to result that funds will not be available at appropriate time with the Council to discharge its function faithfully. Audit feels that investment policy may deliberate on this in its next review.

(IV) Non-Reviewing of investment policy on yearly basis

The Council while reviewing investment policy in March 2002 had desired that in view of frequent changes in economic policies, the same should be reviewed every year. Audit however observed that the Policy is not being reviewed on yearly basis. The policy was reviewed only 4 times (2003, 2005, 2006 & 2010) in a period of 12 years.

The Department stated (August 2015) that the draft addendum to review the Investment Policy has to be kept pending for the time being for carrying out wider study of the proposal and material facts to be added before obtaining the Council's decision. Investment Policy of the Council will be reviewed in near future, keeping in view the concern and advice of the Audit and all the relevant facts on merits.

The Department should take necessary steps to review the Investment Policy as the same has not been reviewed since 2010.

(V) Lesser investments in PSU banks in violation of DPE guidelines

The Department has not considered DPE guidelines while reviewing investment policy in 2010. Thereafter the Policy has not been reviewed.

Government of India, Ministry of Finance, Department of Financial Services based on Department of Public Enterprises (DPE) Guidelines had directed (August 2008, February 2009 & July 2012⁷) all Ministries/Departments and Chief Executives of Central Public Sector Enterprises to place at least 60 % of surplus funds with Public Sector Banks and discontinue the practice of inviting competitive bids for bulk deposits to avoid undesirable competition among banks leading to arbitrary hikes in deposit rates (even for short period).

Audit observed that Department has been giving priority to private banks over PSU banks. During the last three years in 2011-12 to 2013-14, more than 60 percent investment of funds have been made in private banks. The current investment (24-11-2014) of ₹3985.07 crore in private banks worked out to 59 percent of total investments. (Annexure- XIX). The summarized position is indicated below:

(₹ In crore)

	Name of Private Bank	Amount invested	Name of Public Sector Bank	Amount invested
1	Yes Bank	247.00	Allahabad Bank	9.00
2	J&K Bank	500.00	Andhra Bank	5.00
3	Axis Bank	335.00	Bank of India	20.00
4	Indusind Bank	236.00	Canara Bank	990.00
5	Karnataka Bank	239.01	Corporation Bank	20.00
6	Karur Vysya Bank	251.00	Indian Overseas bank	9.99
7	Ing vysya Bank	327.07	State Bank of India	30.01
8	Federal Bank	50.99	State Bank of Travencore	165.00
9	South Indian Bank	80.00	Union Bank of India	20.00
10	DCB Bank	100.00	Vijaya Bank	280.00
11	-	0	State Bank of Patiala	70.00
	Total	2366.07	Total	1619
	Percentage of total Investment	59%	Percentage of total Investment	41%

The Department stated (August 2015) that the investment of 60% funds in private Banks itself reflects that these Banks are offering higher competitive rates for the investment of NDMC Funds as compared to the Public Sector Banks and as such investment with private Banks is as per the existing investment policy of the Council. The observations, advice and concern shown by the Audit will be taken care while reviewing the existing Investment Policy of the Council.

This is in contradiction with the earlier statements elsewhere of the department, whereby they state that the SBI is their chief banker (para 4.2.3). Also J&K Bank which has maximum investment has no credit ratings at all and Yes Bank has only one credit rating.

Audit is of the view that the amounts invested for earning competitive Rols in violation of Investment policy may please be explained.

While investing surplus funds, the Department has not adhered to the guidelines of M/o Finance, Department of Financial Services based on DPE guidelines.

⁷ DO No. 7/150/2008-BOA dated 18th July 2012 & DPE/Guidelines/III/37 vide no. DPE/18(2)/08-Fin. Dated 24th February 2009.

(VI) Inadequate competition due to participation of lesser number of banks and non-review of financial position of empanelled banks

(a) As per the Investment Policy (2005), the Chairperson, NDMC has been authorized to approve a panel of banks based on the parameters approved in Investment Policy. Audit noticed that out of 51 Scheduled banks (SBI & its associates bank 8, Nationalised banks 19, Private banks-23 and one other public sector banks i.e. IDBI), NDMC has empanelled 35 Banks (11 banks in the year 1998, 10 banks in 2002, 2003 & 2004, 5 banks in 2007 & 2008, 2 bank in 2010, 2 banks in 2013 & 2014. Though substantial amount of funds are invested, the Department did not make adequate efforts for attracting more and more banks and other financial institutions for participation in the empanelment / bid process.

(b) As per the investment Policy (2005), Quotations should be called for from all the empanelled banks irrespective of the fact that the empanelled bank might have reached at its capping limit.

Out of 35 banks empanelled at present, Investment Branch have called for quotations from 30 or 31 banks only excluding 4-to 5 banks on the plea that their capping limits have already expired. Further, Out of 30-31 banks, responses have been received from 6 to 21 banks only and majority of them were private Banks. From this limited competition, investment has been made in 8 banks, 20 banks & 21 banks during 2011-12, 2012-13 & 2013-14 respectively as shown in **Annexure – XX & XXI**.

The empanelment of banks is to be reviewed every year after their financial results are declared. It was essential to review the panel of banks to verify eligibility criteria i.e. Net worth, Adequacy Ratio, Credit Ratings of banks. **However, the review of financial position of empanelled banks which was required to be done on yearly basis is not being done regularly and no review has been done after April 2010.**

The Department stated (August 2015) that the revised criteria i.e. Net worth, Adequacy Ratio, Credit Ratings of Banks itself forms the part of the annual audit financial statements obtained from the empanelled Banks and these were kept a view to ensure that there is no adverse reporting in this regard, so that security of NDMC invested funds could be ensured for future. However, as advised by the Audit efforts will be made in future to ensure review of empanelment of Banks every year.

The Department should ensure review of empanelment of Banks on yearly basis as the same has not been reviewed since April 2010.

4.2.5 Non-apportionment of funds among banks

As per investment policy (2005), in case the rates quoted by two or more banks are equal or not varying by more than 5 basis points, investible funds may be apportioned between them in the ratio of their net worth and subject to normative cap plus 25%.

Audit came across instances where funds were not invested among the banks in the ratio of their net worth which had quoted same rates of interest.

(a) The Investment Committee decided to invest ₹783.50 crore among four banks without apportionment of funds in proportion of their net worth and nothing was mentioned in support of their decision. The position of investment of funds to be made in the ratio of their net worth as given in the policy is given below:

(₹ In crore)

Minutes of meetings	Investment of funds				Net worth of bank	Investment to be made in the ratio of net worth	Excess /less amount invested
	Name of Bank	Amount invested	Rate of interest	Period of investment			
21-5-2013	Canara Bank	760.00	9 %	1year 11month 29 days	24878.00	367.39	+392.61
	Corporation Bank	5.00	9 %	4Year 11 month 29 days	9565.69	141.26	-136.26
	Karnataka Bank	8.50	9 %	2 years	2857.08	42.19	-33.69
	Union Bank	10.00	9 %	2 Year 11 month 29 days	15755.13	232.66	-222.66

(b) The Investment Committee decided to invest ₹61.50 crore among six banks on the basis of **maximum amount acceptable** instead of considering funds in ratio of their net worth according to the investment policy as given below:

(₹ In crore)

Minutes of meetings	Investment of funds				Net worth of bank	Investment to be made in the ratio of net worth	Excess/less amount invested
	Name of Bank	Amount invested	Rate of interest	Period of investment			
22-05-2013	Vijaya Bank	25.00	9.10%	1 year	4081.49	5.22	+ 19.78
	Corporation	5.00	9.10%	555 days	9565.69	24.46	- 14.46
	Corporation	5.00	9 %	4 y 11 m 29 d	-do-		
	Federal Bank	0.99	9 %	2 Y 11 m 29 d	6239.27	7.98	- 6.99
	Karnataka	15.51	9 %	2 year	2857.08	3.66	+ 11.86
	Union Bank of India	10.00	9 %	2 Y 11 m 29 d	15755.13	20.18	- 10.16
21-12-2012	Karnataka	100.00	9.05%	5 years	2857.08	15.00	+85.00
	Canara	50.00	9.05%	1 Y 11 m 29 d	24878.00	135.00	-85.00

The same issue was also raised during last review. This practice is, however, still persisting which needs to be looked into by the concerned authorities.

The Department stated (August 2015) that the Investment Committee decided to apportion surplus funds among the banks offering the same rate of interest.

The Department however did not consider the net worth of the Bank(s) while making apportionment of funds among the Banks.

CHAPTER - 5

ACCOUNTS DEPARTMENT

5.1 Overpayment of ₹19.76 lakh due to payment of family pension at enhance rates after expiry of admissible period

As per CCS (Pension) Rules 1972, family pension at enhanced rates is payable for a period of seven years or up to the date on which the deceased would have attained the age of 67 years, had he survived, whichever is earlier. Further, after implementation of recommendations of Sixth Central Pay Commission, the period of enhanced pension has been increased from seven years to ten years in respect of a Government servant, who dies while in service and whose family is in receipt of enhanced family pension as on 1 January 2006. The system of switching over from enhanced rate to normal rate of pension is automatic as it is recorded in the Pension Payment Order (PPO) itself and the bank has to make payment of family pension accordingly.

During the audit of Pension Branch, Audit has been observing the instances of overpayments of pensions to the ex-employees because there existed no system to monitor and ensure that the enhance pension is reduced to normal pension after the stipulated period. All such cases are being pointed out in the Annual Audit Reports (Para 2.2 of 2005, Para 5.2 of 2009 and Para 3.1 & 3.2 of 2011).

The matter was brought to the notice of the Hon'ble Chairman during the meeting of Standing Committee on Audit in NDMC (SCAN), wherein the Chairman, NDMC directed (April 2014) that the Department, in consultation with IT Department, should solve the problem (by the end of May 2014) of compatibility regarding providing of data to bank in electronic transmission.

However, no action to resolve the matter as desired in the aforesaid Standing Committee has been taken so far. During test check of pension records for the subsequent period also, Audit observed that in case of twenty five pensioners, the rate of pension was not reduced to the normal rate after expiry of the admissible period up to which enhanced rate of pension was payable which resulted in overpayment of ₹19.76 lakh (**Annexure-XXII**). The same needs to be recovered.

Since these cases have come to notice as a result of test check of records, all the cases need to be reviewed and over payments made be recovered.

On being pointed out in Audit, the Department replied (June 2015) that recovery in these cases has already been started by the bank in monthly installments from their family pension. The Department is, however, yet to develop a full proof electronic system for transmitting, receiving and reconciling the data with the banks to avoid such over payments. The recovery of ₹19.76 lakh also needs to be made expeditiously.

CHAPTER - 6

CIVIL ENGINEERING DEPARTMENT

6.1 Delay in pursuance of recovery of ₹6.98 crore on account of plot transferred to National Law University

In order to construct 440 Type-IV Special Flats at Sector-14, Dwarka, Phase-II, New Delhi, a piece of land measuring 2.79 Hectare was allotted to NDMC (May 1996) by Delhi Development Authority (DDA). The plot was actually handed over to NDMC in September 1997. As the plot remained unutilized and no construction work was commenced for almost 15 years, the Hon'ble Lt. Governor of NCT of Delhi, in April 2012, directed NDMC to hand over the plot to National Law University. As such, the land was handed over to National Law University (NLU) in November, 2012. By the time NDMC had already incurred an expenditure of ₹1.91 crore on the plot as detailed below:

	Details of Expenditure	Amount (in ₹lakh)
1.	Renovation of Hut	1.98
2.	Construction of boundary wall	11.23
3.	Muster Roll & Data Entry Operator	2.42
4.	Ground rent	147
5.	Security Guard	28.14
Total		190.77

Say ₹1.91 Crore

While deciding the transfer of plot to NLU, the Hon'ble Lt. Governor had directed NLU to compensate NDMC for the expenses incurred on the plot, which was agreed to by the NLU. The NDMC, thus, adding interest on the expenditure incurred on the plot, demanded an amount of ₹7.09 crore. The NLU, however, paid only ₹11.23 lakh being the actual cost of construction of boundary wall of the plot against the total expenditure of ₹7.09 crore. For the balance amount of the claim the NLU in December, 2013 referred the matter to Department of Law, Justice and Legislative Affairs (LJ & LA) of GNCT of Delhi which, after obtaining approval of Chief Secretary, GNCT of Delhi, observed (April, 2014) that :

- i. In the first instance, the reasonability of the claim has to be assessed correctly by NLU and payment accordingly may be made.
- ii. Those items which are justified for payment by NLU are only to be taken into consideration in computing the actual claim.
- iii. The claim of ground rent of ₹1.47 crore is not required to be paid by NLU during the period when the institute was not even set-up. The claim of ground rent pertains to the year 1996 and thereafter.

- iv. The amount of ₹5.19 crore on account of surcharge on ground rent and compound interest should not be agreed being a Govt. to Govt. transaction.

Although more than a year has elapsed since the observations of Department of Law, Justice and Legislative Affairs (LJ & LA) of GNCT of Delhi were communicated, the claim has not been revised and resubmitted (June, 2015). As such the balance amount of land has not been recovered so far.

As the amount involved is significant, the Department needs to take appropriate steps to recover the amount at the earliest.

6.2 Non recovery of ₹12.45 lakh incurred by NDMC on a project transferred to Delhi Transco Ltd.

In order to establish a 220 KV electric sub-station at Harish Chandra Mathur Lane, the NDMC purchased (August 1999) a piece of land measuring 0.9149 acre from Land and development office (L&DO), Ministry of Urban Development by paying a sum of ₹20,12,810. In addition to this cost of land, the NDMC was also required to pay Ground Rent of ₹50,320 per year.

Subsequently, in a meeting held in July 2004, the Secretary (Power), Government of India, decided that sub-station is to be established by Delhi Transco Limited, being the State Transmission Utility. By the time the NDMC had already incurred the following expenditure on this Project:

	Details of Expenditure	Amount (in ₹)
1.	Cost of land	20,12,810
2.	Total Ground Rent	3,52,240
3.	Expenditure on construction of boundary wall on the plot	5,49,398
4.	Expenditure on relocation of JJ Clusters (24 Jhuggies) at Harish Chandra Mathur Lane	6,96,000
	Total	36,10,448
		Say ₹36.10 lakh

As the project had been transferred to Delhi Transco Limited at their cost with the approval of Secretary (Power), Government of India, the entire expenditure incurred by the NDMC on the Project was to be recovered from Delhi Transco Limited.

Though, the cost of land amounting to ₹20,12,810 was refunded by L & DO in May 2010 and total ground rent of ₹3,52,240 paid up to August 2007 was written off by the Council, the expenditure of ₹12.45 lakh incurred on construction of boundary wall (₹5,49,398) and relocation of JJ Clusters (₹6,96,000) has not been recovered from Delhi Transco Limited even after a lapse of more than 7 years.

Audit observed that adequate efforts were not made by the department to recover the amount from Delhi Transco Limited. Examination of records revealed that no pursuance for recovery of amount has been made after June 2010.

The Department stated (October 2014) that the main responsibility to get the refund from Delhi Transco Limited lies with the Electrical Engineering Department which were reminded in August 2011 and thereafter the concerned Executive Engineer of the Department retired from the services of NDMC and no further pursuance with the Electrical Engineering Department could be made.

Thus, due to inaction on the part of the Department and lack of co-ordination with Electrical Engineering Department resulted in non-recovery of ₹12.45 lakh from Delhi Transco Limited.

The matter was brought to the notice of the Department in January 2015; their reply is awaited (June 2015).

CHAPTER - 7

COMMERCIAL DEPARTMENT

7.1 Non recovery of arrears of ₹4.27 crore in respect of temporary connections

The Commercial Department of NDMC provides temporary connections to the consumers for short terms requirements such as marriage, religious functions, constructional activities, exhibitions, cultural functions etc.

As per Clause 19 (vii) of Delhi Electricity Supply Code, temporary connections shall be granted for a period upto 03 months at a time, which can be further extended depending upon the requirement. Further, Clause 49 (i) of the Code stipulates that the Licensee may issue a disconnection notice in writing to the consumer who defaults in payment of dues giving him fifteen clear days to pay the dues. Thereafter, the licensee may disconnect the consumer's installation on expiry of the said notice period by removing the Service Line/Meter or as the licensee may deem fit.

As per information made available by the Department (May 2014), a sum of ₹4.27 crore was outstanding against 151 consumers to whom temporary connections were provided by the Department as detailed below:

Year	No. of Existing Consumers		No. of Disconnected consumers		Amount (in ₹)
	No.	Amount (in ₹) (A)	No.	Amount (in ₹) (B)	Total (A+B)
2012-13	36	12,62,553	26	3,57,85,122	3,70,47,675 (62 connections)
2013-14	32	40,75,956	57	15,75,756	56,51,712 (89 connections)
Total	68	53,38,509	83	3,73,60,878	4,26,99,387 (151 connections)
Say ₹4.27 crore					

On being pointed out in Audit, the Department stated (May 2014) that:

- (a) Out of 62 temporary connections pertaining to the year 2012-13, 36 connections amounting to ₹12.62 lakh have been disconnected and action for recovery of dues was being taken.
- (b) In respect of remaining 26 connections pertaining to the year 2012-13 where dues amount to ₹3.57 crore, the Department assured to recover the dues after adjustment of security amount on priority basis.
- (c) Similarly, out of 89 temporary connections pertaining to the year 2013-14, 15 connections where dues are ₹24.27 lakh belong to the contractor of NDMC which were under consideration with EE (Commercial).
- (d) 17 connections amounting to ₹16.48 lakh pertaining to the year 2013-14 had been sent to EE(Comml.) Branch for disconnection.

- (e) Rest of 57 temporary connections for ₹15.75 lakh which pertained to the year 2013-14 had been disconnected and the action for adjustment of security amount and recovery of balance dues after adjustment of security was being taken by the department on priority basis.

As the temporary connections are issued only for 3 months, the accumulation of arrears to the tune of ₹4.27 crore indicates lack of timely action on the part of department to disconnect the connections and recover the dues from the Security amount of the consumers which led to blockade of funds

The matter was brought to the notice of the Department in June 2014; their reply is awaited (June 2015).

CHAPTER - 8

ELECTRICAL ENGINEERING DEPARTMENT

8.1 Inordinate delay in recovering damage charges ₹30.96 lakh from the defaulting supplier of transformers

The NDMC decided to replace Oil Type Transformers with Dry Type Transformers and as such a supply order for supplying the transformers at a cost of ₹4.98 crore was awarded to M/s Ames Impex Electricals Pvt. Limited, Ahmedabad in October 2009.

Subsequently, the work of Replacement of total 51 Oil Type Transformer with dry type transformer of 1000(KVA) in North and South of Rajpath (Phase-IV) was awarded to M/s Control Wel Switchgears (July 2010) at a cost of ₹1.33 Crore (₹1,32,86,000) and 24 transformers to M/s New Delhi Traders (April 2012) at a tendered amount of ₹13.25 lakh . Of these total transformers, 60 transformers were burnt/failed within a short span after commissioning and thus had to be replaced/repared from various contractors by incurring an amount of ₹30.96 lakh.

The details of expenditure incurred by the NDMC on the burnt transformers are indicated below:

	Description	Period	Amount (in ₹)
1	13 Nos. transformers replaced @₹50,000 each	2010-11	6,50,000
2	19 Nos. transformers replaced @₹48,800 each	September to November 2011	9,27,200
3	04 Nos. transformers replaced @₹48,500 each	January to February 2012	1,94,000
4	15 Nos. transformers replaced ₹55,200 each	2012-2013	8,28,000
5	09 Nos. transformers to be replaced @₹55,200 each	2012-2013	4,96,800
	Total		30,96,000
			Say ₹30.96 lakh

Audit observed that as these transformers got burnt/damaged within the guarantee period of 36 month from the date of commissioning, the amount incurred on the replacement/repair of these transformers was required to be recovered from the original supplier i.e. M/s Ames Impex Electricals Pvt. Limited which had not been recovered even after a lapse of more than two years.

On being pointed out, the Department stated (July 2014) that the case has been forwarded to the Executive Engineer (S-I) for making the recovery from the dues of M/s Amex Impex Pvt. Limited. The Department, however, failed to justify the delay in making the recoveries from the defaulting supplier Further examination of records also revealed that no action has been taken by the Department to debar/blacklist the defaulting contractor to participate in the subsequent bids.

The matter was brought to the notice of the Department in September 2014; their reply is awaited (June 2015).

8.2 Non recovery of excess expenditure incurred on Deposit works

NDMC has been undertaking the deposit works on behalf of various authorities such as AIIMS, Railways and foreign embassies etc. However, the executing departments have to comply with the codal provisions before and after the execution of the deposit works. The main provisions in this regard are summarised below:

- (a) Whenever a deposit work is to be undertaken, the deposit should be realized before any liability is incurred on the work.
- (b) In case of deposit works of autonomous bodies which are financed entirely from Government Grants, and from whom receipt of deposits is assured one third of estimated cost of the work may be got deposited in advance. Thereafter, expenditure incurred may be got reimbursed through monthly bills simultaneously with rendering of monthly accounts on the progress of work. The deposit of one third of the cost should be retained for adjustment against the last portion of estimated expenditure.
- (c) The Executive Engineer should ensure that at any time during the progress of work, the expenditure is not more than the deposits received for the work. Where the Executive Engineer is doubtful about the timely receipt of deposits, he should notify the client that if further deposit is not received, the work would be stopped and any contractual liability arising out of such stoppage of work will be borne by the client. He should also bring this to the notice of his higher officers for taking up the matter with the client.
- (d) It is necessary that the Executive Engineer settle their accounts against the deposit works expeditiously so that amount in the books of NDMC as well as the client does not remain unsettled for long.

The scrutiny of Deposit Works Registers of Electric Engineering Divisions (C-I&II) for the period 2012-2014, however, revealed as on 31 March 2014 an amount of ₹47.33 lakh incurred by these Divisions on various deposit works remained to be recovered from various clients for a long period (**Annexure-XXIII**).

The reasons for incurring excess expenditure on the deposit works and non-recovery thereof, called for from the Division in September 2014 and November 2014; are awaited.

<p>8.3 Blockade of funds of ₹11.58 lakh due to purchase of stores based on unrealistic demand</p>
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The Store Divisions of Electrical Engineering Department are responsible for procurement of materials indented by various divisions of Electrical Engineering Department.

Audit observed that Store-II division of Electrical Engineering Department, based on the indents received from C-I, C-II and C-IV divisions (user divisions), procured 3019 mtrs of HT XLPE cable of size 70 mm.sq/3C in May 2007 of which only 498 mtrs could be issued to the user divisions in a period of more than seven years leaving a balance of 2521 mtrs of cable in the store (November 2014) which indicates that the demands raised by the user divisions were totally unrealistic.

On being pointed out, the Department accepted (August 2014) that the user divisions had not lifted the store because of their non-realistic requirement. The Department also confirmed (November 2014) that 2521 mtrs of cable (size 70 mm.sq/3C) valuing ₹11.58 lakh was still lying with the Store Division and the chance of their consumption were very remote as (i) the works for which these cables were procured had already been completed and (ii) due to upgrading of the system in the NDMC areas, the uplifting for some of cable of size 70 mm.sq/3C has reduced. The Department has, however, failed to intimate (a) whether responsibility for making unrealistic demands of cable which led to unfruitful expenditure of ₹11.58 lakh has been fixed (b) suitable measures have been taken by the Department to avoid recurrence of such instances and (c) whether any disposal action or write off of the loss with the approval of competent authority has been initiated.

In July 2015, the department again reiterated that the cable was procured against requirement of C-I, C-II, C-IV divisions and users & planning Divisions have been requested to explore the possibility of using this cable.

The facts remains that :-

- (a) Since a period of more than eight years has been elapsed, the cable has not been lifted by user Divisions.
- (b) The Department is yet to take any action to fix the responsibility for making unrealistic demand of cable.
- (c) The Department failed to intimate the measures taken by it to avoid recurrence of such instances.

CHAPTER - 9

ESTATE DEPARTMENT

9.1 Non finalization/ non-recovery of misuse charges of ₹1.01 crore from owners in Khan Market

Ministry of Urban Development, in March 2006, notified transfer of ten markets including Khan Market to NDMC from Land & Development Office (L&DO). As per the notification, after transfer NDMC would function as the lessor or licensor of shops and flats in these markets and shall exercise all powers being performed by L&DO, Directorate of Estate and CPWD.

Section 363 of the NDMC Act provides that any sum due to the Council on account of any charge, costs, expenses, fees, rates or rent or on any other account under the Act may be recoverable from any person from whom such sum is due as an arrear of tax under the Act.

Test check of the records of Estate-II Department revealed that the owner of the residential Flats No.27, 29 & 30 of Khan Market converted the use of the Property from Residential to Commercial and as such the Estate-II Department issued demand notices to the owners for payment of misuse and/ or damage charges in September 2011, September 2011 and January 2011 respectively. The total demand on these properties on this account worked out to ₹1.01 crore (**Annexure-XXIV**). The examination of records of these properties by the Audit indicated that neither these demands have been paid by the owners nor any action has been taken by the department for making recoveries or settlement of dues.

The above cases are only illustrative. The Department needs to examine all such cases and streamline its monitoring mechanism suitably.

The matter was brought to the notice of the Department in April, 2015; their reply is awaited (June 2015).

CHAPTER - 10

MUNICIPAL HOUSING DEPARTMENT

10.1 Inordinate delay in revision of rates of licence fees resulting in under recovery of ₹27.99 lakh from occupants.

The Municipal Housing Department of NDMC allots NDMC accommodation to its employees subject to availability and payment of applicable licence fees. The NDMC, as on date, has 3347 quarters of different categories ranging from Type I to Type V.

In terms of Council Resolution (April 1998), the orders of Government of India in the matter of allotment of residential accommodation and recovery of licence fees etc. be treated as automatically implemented from the date of issue of such instructions.

The Directorate of Estates, Ministry of Urban Development, Government of India, revised (November 2013) the rates of licence fees with effect from 1st July 2013 recoverable for the residential accommodation throughout the Country.

Audit observed that the Department has not revised the rates of licence fees, consequent upon revision of rates by Government of India from July 2013. This resulted in short recovery of licence fees of ₹27.99 lakh upto December 2014 (**Annexure-XXV**) which was recoverable from the occupants of NDMC accommodation.

On being pointed out, the Department stated (February 2015) that Central Billing Section (CBS) has been informed to recover the licence fees at enhanced rates revised from July 2013 from the salary of occupants of NDMC accommodation.

The Department, however, failed to justify the inordinate delay in making the recoveries of licence fees which were revised by the Government of India with effect from July 2013 resulting in under recovery of ₹27.99 lakh (upto December 2014) from the occupants.

As even after a lapse of 18 months the recoveries at the revised rates are not being made, the co-ordination system between Housing Department and Central Billing Section needs to be strengthened.

The matter was referred to the Department in March 2015; their reply is awaited (June 2015).

CHAPTER - 11

PROPERTY TAX DEPARTMENT

11.1 Non-realization of property tax of ₹4.84 crore due to dishonoured cheques received from assesses

Rule 19(1) (b) of Central Government Account (Receipts and Payments) Rules, 1983 states that in the event of the cheque or draft being dishonoured, the fact shall be reported at once to the tenderer with a demand for payment in cash and the dishonoured cheque or draft should be returned to the tenderer.

Further, Section 138 of the Negotiable Instruments Act 1881, as amended from time to time, stipulates that the payee or holder in due course of the cheque, as the case may be, makes a demand for payment of the said amount of money by giving a notice, in writing, to the drawer of the cheque within thirty days of the receipt of information by him from the bank regarding the return of the cheque as unpaid and if the drawer of such cheque fails to make payment of the said amount of money to the payee or, as the case may be, to the holder in due course of the cheque, within fifteen days of the receipt of the said notice, such person shall be deemed to have committed an offence punishable under the Act.

During scrutiny of the Dishonoured Cheques Register, Audit observed that during 2012-13 and 2013-14, 263 cheques (118 cheques for ₹2.84 crore in 2012-13 and 145 cheques for ₹2.14 crore in 2013-14) for ₹4.98 crore deposited by the assesses in favour of the Council towards payment of property tax were dishonoured. Out of these, an amount of only ₹14.29 lakh was recovered leaving a balance of ₹4.84 crore (₹4.98 crore - ₹0.14 crore) upto March 2014 (**Annexure - XXVI**). It was further observed that the Department did not take any legal action as per Negotiable Instruments Act against the defaulters.

The Department, thus, needs to take appropriate action against defaulting assesses and take immediate steps for effecting recovery of ₹4.84 crore on account of dishonoured cheques at the earliest.

The matter was referred to the Department in November 2014; their reply is awaited (June 2015).

CHAPTER - 12

TRANSPORT DEPARTMENT

12.1 Purchase of diesel at higher rates resulting in loss of ₹30.41 lakh

The Transport Department of NDMC has been purchasing diesel (HSD) in bulk directly from M/s Indian Oil Corporation Ltd. by making 100% payment in advance for running the departmental vehicles.

Audit observed that Transport Department, during the year 2013-14, purchased total 3,60,000 litres of diesel on thirty occasions (12,000 litres on each occasion). These purchases were made at substantially higher rates as compared to the prevailing retail market price of the diesel.

Despite being pointed out by Audit in July 2013, the Department did not discontinue the practice of purchasing the diesel in bulk and has been incurring higher cost without any extra benefit to the Council.

The extra expenditure on purchase of diesel in bulk as compared to the prevailing retail market price during the year 2013-14, worked out to ₹30.41 lakh (**Annexure - XXVII**).

The matter was again brought to the notice of the Department in January 2015 and April 2015.

On being pointed out by Audit, the Department stated (May 2015) that the purchase of High Speed Diesel (HSD) at bulk rates from M/s. IOC during 2013-14 had been made as per approval of Competent Authority and presently the bulk prices of diesel are cheaper as compared to retail prices.

It is recommended that the Department ensure purchase of diesel at the most economical rates available in the market.

CHAPTER - 13

GENERAL PARAGRAPH ON UNCLAIMED DEPOSITS (CIVIL & ELECTRICAL ENGINEERING DEPARTMENT)

13.1 Non-refund/transfer of security deposit to Government account amounting to ₹5.13 crore

Rule 189 (1) of Receipt & Payment Rules stipulates that at the close of March each year, (a) deposits not exceeding twenty five rupees unclaimed for one whole account year, or residuary balances not exceeding the said amount out of deposits partly repaid during the year then closing, and (b) all deposits or balances in excess of the aforesaid amount, unclaimed for more than three completed account years, shall be credited to the Government under the Consolidated Fund, keeping necessary note in the register of deposits. In the case of deposits, the detailed accounts of which are kept by departmental officers, a list of deposits and balances thus lapsing shall be prepared by them and sent to the Accounts Officer in accordance with the relevant directions.

During test check of Security/Earnest Money Deposit Register in respect of Civil Engineering and Electrical Engineering Department, Audit observed that deposits to the tune of ₹5.81 crore were lying unclaimed for more than three completed financial years and has not been credited to the Council Account till date. This amount was neither transferred to the Council Fund, nor refunded to contractors.

On being pointed out in Audit, the Department(s) released/transferred an amount of ₹67.70 lakh (Civil Engineering-₹28.92 lakh & Electrical Engineering-₹38.78 lakh) to contractors/Council Account.

An amount of ₹5.13 crore (Civil Engineering-₹2.74 crore & Electrical Engineering-₹2.39 crore) [Annexure-XXVIII] was still to be adjusted.

CHAPTER - 14

RECOVERIES AT THE INSTANCE OF AUDIT

On being pointed out and regular follow-up by Audit, the following recoveries were made by the various departments (June 2015).

	Department	Brief Particulars of recoveries	Amount recovered (₹ in crore)
1.	Property Tax	Recovery of arrears of Property Tax from defaulting assesses.	125.79
2.	Architect & Environment	Recoveries of Permission Charges and Penalty charges on account of delayed payment from the Cellular Operators.	0.63
3.	Enforcement	Recovery of arrears of licence fees from advertisement agencies.	1.58
4.	Finance & Accounts	Recoveries of excess/over payments of pensionary benefits	0.07
Total			128.07

Say ₹ 128 Crore

(Varsha Tiwary)
Chief Auditor

New Delhi
Dated

Annexure-I**Heads of Accounts showing adverse balance at the year ended March, 2014****(Liabilities)****Chapter-1 (Part-II)**

Sl. No.	Head of A/C	Description	Amount in ₹
1	3117002	New Pension Scheme 2004	3943872 Dr
2	3501001	Suppliers Due	135529048 Dr
3	3501004	Payables Against Specific Scheme	126247 Dr
4	3501007	Payable Against Expenses	64158 Dr
5	3501101	Salary Payable Net	70,10,94,692 Dr
6	3501102	Wages Payable Net	25,95,235.00 Dr
7	3501104	Pension payable	23436 Dr
8	3501107	Welfare Expenses Payable	8219718 Dr
9	3501108	SLGIS Payable (At Source)	849175 Dr
10	3501112	CGEIS/UTGIS At Source(O)	6300 Dr
11	3501113	CGHS/DGHS at source (o)	4775 Dr
12	3501114	CPF(O)/PF(O) at source (O)	70106 Dr
13	3501115	Bank Loan Recovery at source (o)	5000Dr
14	3501117	CPA/CPA Int at source (o)	10000 Dr
15	3501120	Society Recovery At Source(O)	327964 Dr
16	3501122	Elect and water at source	1901 Dr
17	3501124	GPF Adv./GPF(O)/UPH (O)At Source (O)	1036740 Dr
18	3501125	Group Insurance at source (o)	686 Dr
19	3501126	House Building Advance outside at source (O)	15300 Dr
20	3501127	Quarter rent (o) at source (O)	12782 Dr
21	3501132	Court Attachments At Source(O)	703873 Dr
22	3501134	Secretary Credit And Thrift Society NDMC	28277792 Dr
23	3501136	C&T Elect. Society Recovery At Source(NDMC)	12865913 Dr
24	3501137	GPF Deduction At Source, NDMC	165848690 Dr
25	3501138	Income Tax (TDS) At Source, NDMC	82406533 Dr
26	3501139	Janta Accident Insurance At Source, NDMC	925 Dr
27	3501140	Life Insurance 1,2,3, At Source, NDMC	9694840 Dr
28	3501141	Mantola Bank Loan Recovery At Source, NDMC	1908580 Dr
29	3501143	PPF Tier –I deducted at source, NDMC	6755516 Dr
30	3501145	Benevolent Fund At Source (NDMC)	2707190 Dr
31	3502008	Cess (Welfare Cess Act 1996)	7332186 Dr
32	3502014	Income Tax Collected (At source)	695300 Dr
		Total	1173134473Dr. Say ₹117.31 crore

Annexure-II**Heads of Accounts showing adverse balance at the year ended March 2014****Assets****Chapter-1 (Part-II)**

Sl. No.	Head of A/C	Description	Amount in ₹
1	4301036	Stock in Hand: Electric Meters	1000868 Cr
2	4311033	Private Properties: Receivable – For More Than 2 Years Not Exceeding 3 Years	1481773306 Cr
3	4311036	Private Properties: Receivable – For More Than 5 Years	5187244952 Cr
4	4313045	LIC Fees from markets/shopping complex/shops receivable	1112690194 Cr
5	4313046	Damages/ Misuse charges receivables	41500391 Cr
6	4502101	State Bank of India	809847985 Cr
7	4502205	ICICI Bank for Biller Facility Purpose	46810 Cr
8	4601001	Interest Bearing – House Building Advance	10346253 Cr
9	4601002	Interest Bearing – Conveyance Advance	3968854 Cr
10	4601003	Interest Bearing – Computer Advance	127756 Cr
11	4601004	Interest Bearing – Any Other Advance (Specify)	278 Cr
12	4601007	Non Interest Bearing – Tour Advance	932831 Cr
13	4604004	Lease Rentals	51243 Cr
14	4604006	For Fixed Assets	7752514 Cr
15	4605007	Advances To Govt. Agencies For Utility Services	140552955 Cr
16	4606001	Electricity	470000000 Cr
17	4606003	Water	33721 Cr
		Total	926,78,70,913 Say ₹926.79 crore

Annexure-III**Chapter-1 (Part-II)**

CAPITAL WORK IN PROGRESS NOT CAPITALIZED		
COA	ITEMS	Amount (in ₹)
4121001	9	243932753
4121002	25	1179346791
4121003	15	9389139
4121004	12	16680960
4121005	1	65164
4121006	12	700987535
4122001	10	16498641
4122002	11	26619061
4122003	4	1783412791
4122004	5	47780096
4122006	1	32346386
4122007	12	11025844
4123002	1	4338849
4124000	3	29360579
4124001	69	16488382
4124002	35	473987
4124003	20	77858
4124004	14	2001722
4124005	32	30610104
4124006	28	90799175
4124007	18	44930871
4124008	23	44450447
4124009	13	52572428
4124010	13	205617122
4124011	7	6581425
4124012	10	6881197
4124013	7	65044655
4124014	1	1632075
4129012	2	25519752
4129031	4	57081319
4129033	2	75443
TOTAL	419	4752622551 Say ₹475.26 crore

Annexure-IV**LIST OF WORK IN PROGRESS****Chapter-1 (Part-II]****BUILDING MAINTENANCE –I**

SL. NO	NAME OF WORK	COA (WIP)	AMOUNT paid as per RA Bill	DOS	DOC	COA TO BE CHARGED (CAPITAL HEAD)
1	21/1Improvement to Stadia- Improvement to Talkatora Stadium (Construction of boundary wall)	4124010	10225368	13.06.2009	18.05.2010	4102000
2	Improvement to Palika Dham Housing complex	4124005	11525997	03.01.2009	12.05.2010, MB. No. 11605,9761,9766	4102004
3	Improvement to staff quarters at Rohini	4124005	3948637	18.10.2012	17.10.2013 MB11637/P83	4102004
4	Improvement to 256 NDMC staff Qtrs sector XI, Rohini Extn	4124005	17677473	30.10.2012	29.03.2014 MB-06	4102004
5	27/Improvement /Special Repair to sub station (civil works)	4124009	340207	09.11.2009	23.12.2009	
	Total		43717682			

BUILDING MAINTENANCE –II

SL. NO	NAME OF WORK	COA	AMOUNT paid as per RA Bill	DOS	DOC	COA TO BE CHARGED
1	Improvement to Palika Avas Housing complex, Sarojini Nagar	4124005	12612763	05.10.2012	04.10.2013 MB 10979,11160,11140	4102004
2	20/10/Improvement to dhobi ghats – bapu dham	4124005	1168667	25.07.2013	15.03.2013 mb-4083,11023 , 11105	
3	21/1/improvement to Charak Palika Hospital	4124005	2867432	10.05.2012	08.03.2013 MB 11110, 10963, 10181,7877,111109	4102002
4	Improvement to Navyug School at North West Moti Bagh	4124001	324086	07.01.2014	06.04.2014 MB3561/P-100	4102007
5	27/1/Constn/upgradation of flats at XY block, Sarojini Nagar	4124005	881826	18.04.2013	17.08.2013 MB-9088/P-100	4102004
6	Improvement to Palika Gram housing complex, Sarojini Nagar (Final payment not made)	4124005	10638246	03.04.2013	13.02.2014	4102004
	TOTAL		28493020			

CIVIL ROAD DIVISION –II

SL. NO	NAME OF WORK	COA	AMOUNT paid as per RA Bill	DOS	DOC	COA TO BE CHARGED
1	Construction of parking lot in Metropolitan city centre	4124002	2427470	21.01.2008	06.02.2009 MB NO.5868, 8009	
2	Improvement to footpath and providing RMC in Jam Nagar House	4124002	6794633	16.12.2010	14.06.2011 (Computrized MB)	4103004
	TOTAL		9222103			

CIVIL ROAD DIVISION –IV

SL. NO	NAME OF WORK	COA	AMOUNT paid as per RA Bill	DOS	DOC	COA TO BE CHARGED
1	41/8/Street Scaping of Mandir Marg (Including Horticulture)	4124002	18521368	16.11.2009	12.11.2010	4103000
2	41/8/Street Scaping of Mandir Marg (Including Horticulture)	4124002	53735766	19.11.2009	28.09.2011	4103000
3	41/10/Street scaping of Old r.K.Ashram Marg (From Park Street to Kali Bari marg)	4124002	18332645	16.11.2009	30.09.2010 CMB NO.3	4103000
4	Redevelopment of C.P.W.D.colony parks under R-IV division	4124013	7225908	22.12.2012	30.07.2013 CMB 004	4101003
5	34/1/Resurfacing of service roads lane/bylanes under CR-IV division	4124002	63145564	15.05.2011	29.06.2012	4103000
6	15/19/Construction of porta cabin at Bapu Dham, Sanjay Camp,Ashok Hotel and Ashok Police Lines	4124008	2271732	14.10.2013	18.02.2014 CMB 02	4102005
7	41/8/Street Scaping of Mandir Marg (Including Horticulture)	4124002	53735766	19.11.2009	28.09.2011	4103000
8	35/6/Construction of boundary wall and improvement to walkway at nursery madhulimay marg	4124002	979540	07.11.2013	06.03.2014 MB 10872 & 11945/P- 59 TO 60	4103004
9	23/19/Improvement to footpath at Madhulimaye marg,Niti Marg and Shanti Path from Satya Marg to Rail Museum round about, sunehri Bagh Road Ramaing portion	4124002	7559735	20.07.2013	19.03.2014 CMB 004	4103004
10	28/7/Providing RMC in the central verge at S.P.MargPanchsheel Marg	4124002	350969	18.7.2013	MB NO 10885/P-36 TO37	
11	Street scaping		1921853	29.05.2010	04.09.2010	
12	S/R of Roads in NDMC Area – Resurfacing of lane by lane in the area of R-IV division	4124002	63145564	15.05.2011	29.06.2012	4103000
13	41/6/Street scaping of Tees January Marg, Tees January lane and adjacent round abouts	4124002	79538224	22.02.2009	08.01.2011 MB NO 11943 P01 TO 98	4103000
14	21/2/Rainwater harvesting at various locations	4124002	623605	22.12.2012	21.02.2013 MB NO11962/P-71 TO72	
	TOTAL		371088239			

CIVIL ROAD DIVISION –V**LIST OF WORK IN PROGRESS (4124002)**

SL. NO	NAME OF SCHEME/WORKS	AMOUNT paid as per RA Bill	DOS	DOC	COA TO BE CHARGED	AMOUNT (in ₹)
1	Augmentation of drainage system in NDMC are R-V division during 2012-13.	1845395	25.03.2013	14.09.2013 vide MBNo11070 pg.82/83	4103005	1845395
2	24/13/Providing and laying interlocking pavers in Talkatora Lane & Infront of Mother diary in Sector –IDIZ Area, Gole Market	551448	25.10.2013	24.01.2014 MBNo 11866/P-23	4103005	551448
3	24/18 Providing and laying cc interlocking pavers, RCC pipes and CC Channel slab in the lanes of sector IV, DIZ Area	1652141	27.10.2013	26.02.2014 pg.86/4788		1652141
4	35/7/ Resurfacing of lane by lanes in jurisdiction of R-V division	8723605	30.04.2006	06.11.2006 MB6938 P48/48	4103000	8723605
5	25/20 Providing and laying drainage system by providing 250,300 & 450mm dia RCC pipes at 1 to 17 bloc sector 11 DIZ Area gole market	1339825	03.03.2008	30.06.2008 MB 9479	4103101	1339825
6	25/20 Providing and laying drainage system by providing 250,300 & 450mm dia RCC pipes at 1 to 17 bloc sector 11 DIZ Area gole market	2345385	10.06.2013	09.10.2013 MB9491/P-65	4103000	2345385
7	1/6 Development of playing field in NDMC area under CR-V	2244131	10.02.2012	31.07.2012		2244131
	TOTAL	18701930				18701930

ELECT CONSTRUCTION DIVN –V**LIST OF WORK IN PROGRESS (COA:4124001)**

SL. NO	Scheme	Work details	Contractor & Contract value	GROSS PAID AMOUNT(in ₹)	DOS	DOC	M.B No.
1.	94/Construction of New Delhi city Centre Phase –II	Providing of electrical Installation	M/s Goel Electric Works – ₹50,56,620/-	85,11,416/-	24.07.2008	24.11.2010	03/2010 at P. 87-97
2	94/Construction of New Delhi city Centre Phase –II	Providing HVAC system at Block B & C	M/s ETA engineering (P) Ltd. – ₹8,02,76,786/-	11,78,67,283	08.09.1999	07.09.2000	11/2008,16/2010,17/2011
3	92/Providing electronic Parking guidance & Management system in P i)Palika Parking	Providing Electronic Parking Guidance & management	M/s Auto Pass India- contract value-₹2,58,84,884/-	2,78,58,544/-	15.03.2010	01/06/2011	15/2010 at P-34
	TOTAL			15,42,37,243/-			

HORTICULTURE
LIST OF WORK IN PROGRESS

SL. NO	NAME OF WORK	COA	AMOUNT	DOS	DOC	COA TO BE CHARGED	AMOUNT (in ₹)
1	28/1/Development of parks in residential colonies (Hort.Work)	4124013	601767	05.12.2013	15.01.201	4101003	601767
2	31/1/Development of green strips along major roads	4124013	116973	01.11.2013	30.11.2013	4101003	116973
3	30/3 Development of parks in NDMC schools by Horticulture department	4124013	507107	02.04.2013	04.05.2013	4101003	507107
4	31/1/Development of green strips along major roads	4124013	657493	15.11.2013	13.01.2014	4101003	657493
5	31/1/Development of green strips along major roads	4124013	644859				
6	21/1/Development of Nehru Park including fencing compounding wall and aug.of water supply	4124013	1405996	14.11.2013	28.12.2013MB.12738	4101003	1405996
7	36/2/Replacement of old pipe lines and replacement of hydrants	4124013	263871	04.04.2014	03.05.2014 MB 10821 P/72	4101003	263871
8	31/1/Development of green strips along major roads	4124013	179366	28.12.2013	26.01.2014	4101003	179366
9	35/4/Improved to purana quila nursery	4124013	236783	09.07.2013	08.08.2013	4101003	236783
	TOTAL		4614215				

Annexure-V**Chapter-1 (Part-II)**

BANK RECONCILIATION UNIT	
NEW DELHI MUNICIPAL COUNCIL	
REVISE BANK RECONCILIATION STATEMENT AS ON MARCH – 2014	
Closing Balance as per Cash Book as on 31/03/14	1,431,735,252.37
Add: on 01.04.05 plus up to date adjustment till March.2014	23,208,535.58
Sub Total	1,454,943,787.95
Add: NDMC cheques issued but not encashed till March. 2014	455,544,401.94
Less: Excess debit given by bank upto March. 2014	(222,649,172.00)
Add: Excess Credits afforded by the Bank in March. 2014 but not taken in Cash Book	522,335,017.77
Add: minus entry dt.14/11/08 not taken in cash book	76,725.00
Add: minus entry no.2372 ₹1449/- taken in cash book but not shown in Axis Bank	1,449.00
Add: minus entry no.2855 ₹559/- taken in cash book but not shown in Axis Bank	559.00
Add: Direct credit short taken in Cash Book dt.22/4/10	700,000.00
Add: m.e no.139 dt.29/8/11 ₹2651/- not match with Axis Bank m.e dt. 9/8/11 ₹265/-	2,651.00
Add: Credit advice short taken in cash book dt.27/10/11	3.00
Add: excess credit received yet not tallied dt.25/08/12	510.36
Add: fund under clearing dt. 24/08/12 regularised excess on dt.25/08/12	750.00
Add: Direct credit short taken in Cash Book dt.18/09/12	600,000.00
Add: unclaimed amt dt.27/12/12	3,250.00
Add: amount not tallied in dec.12 credit side	24,881.00
Add: excess fund dt.22/01/13	93,300.00
Add: excess fund dt.15/02/13	440.00
Add: excess fund dt.18/02/13	110.00
Add: excess fund dt.22/02/13	804,789.00
Add: excess fund dt.22/02/13	56,612.00
Add: excess fund dt.23/02/13	2,660,246.00
Add: fund dt.18/02/13	11,912,366.00
Add: excess fund dt.06/03/13	300.00
Add: excess fund dt.07/03/13	1,218,983.00
Add: excess fund dt.21/03/13	2,750.00
Add: excess fund dt.25/02/13	7,166.00
Add: excess fund dt.18/02/13	3,300,533.00
Add: excess fund dt.19/02/13	1,939.00
Add: excess fund dt.20/02/13	4,678.00
Add: excess fund dt.21/02/13	3,752.00
Add: excess fund dt.22/02/13	115,856.00
Add: excess fund 12/04/13	30.00
Add :cash tally of feb-13 by compilation on dated 15.06.13	619,721,763.58
Add: fund regularised 21/5/13	17,696.70
Add: 21/6/13 prv day fund clear	22,879.00
Add: fund regularised 21/5/13	2,000.00
Add: 24/6/13 rev of short/excess	47,163.00

Add: fund regularised 26/06/13	132,705.00
Add: m.exp no.148 dt.11/7/13 taken in c.book but not shown in Axis Bank	14,745.00
Add: m.exp no.149 dt.11/7/13 taken in c.book but not shown in Axis Bank	705.00
Add: m.exp no.150 dt.11/7/13 taken in c.book but not shown in Axis Bank	1,417.00
Add: fund regularised 06/08/13	2,698.00
Add: fund regularised 17/08/13	19,612.00
Add: fund regularised 23/08/13	140.00
Add: 123untraced excess fund	276.00
Add: m.exp no.171 dt.22/08/13 taken in c.book but not shown in Axis Bank	1,301.00
Add: fund regularised 02/09/13	20,966.00
Add: fund regularised 05/09/13	7,253.00
Add: bal fund (27/8/13) in 3/9/13	2,648.00
Add: dt. 1/10/13 fund 123untraced123ed ch.no.844544/511221	120,445.00
Add: dt.23/10/13 untraced fund clr may be 21,22,23/10/13	414.00
Add: fund regularised 24/10/13	534,248.00
Add: dt.17/10/13 untraced amt ch.no.40426 sbs	3.00
Add : dt.21/11/13 fund s.ngr chq 853884	1,167.00
Add: fund 123untraced123ed dt.22/11/13	17,515.00
Add: fund regularised sbs 23/11/13	13,981.00
Add: m.e.162 dt.07/11/13 taken in c.book but not shown in Axis Bank	8,581.00
Add: m.e.389 dt.28/11/13 taken in c.book but not shown in Axis Bank	20,671.00
Add: m.e.390 dt.28/11/13 taken in c.book but not shown in Axis Bank	4,510.00
Add: m.e.391 dt.28/11/13 taken in c.book but not shown in Axis Bank	4,825.00
Add: m.e.392 dt.28/11/13 taken in c.book but not shown in Axis Bank	639.00
Add: 123untraced excess fund dt.29/11/13	5.00
Add: 123untraced excess fund dt.11/12/13	500.00
Add: 123untraced excess fund dt.17/12/13	6,398.00
Add :excess fund ch.no. 107356	1,532.00
Add :misc amount	2,792.00
Add: m.e.46 dt.3/01/14 excess taken in c.book (3282-3882=600)	600.00
Add: m.e.131 dt.06/01/14 excess taken in c.book but not shown in A.Bank	385.00
Add: m.e.222 dt.13/03/14 taken in c.book but not shown in Axis Bank dt.06/02/14, taken on 28/2/14	1,063.00
Gross Total	2,852,524,906.30
Less: Cheques & Cash deposited but credit not afforded by the bank till March – 2014	(159,93,78,838.95)
Less: Dishonoured/Returned unpaid cheques, Cheque book charges and other	(2,620,955.87)
bank charges debited but not taken in cash book till March – 2014	
Less:ch.no.465251 dt.13/02/09 of ₹42259/- was cancelled & in lieu issued has been wrongly deducted from the Exp. Side of Cash Book.	(42,259.00)
Less: minus entry deducted on 24/03/09 from the exp. Side of exp. Register without giving complete detail in exp.register.	(8,640.00)
Less: A bankers cheque wrongly deducted from expenditure on1/09/09 as the same has already been debited from the cash book detail not mentioned.	(2,600.00)
Less :A ch.no.225679 dt.20/5/09 wrongly deducted from expenditure on 09/10/09 as the same has already been debited from the bank on 25/05/09.	(25,000.00)

Less : excess total taken in receipt register on 31.10.09. ₹1765300/- has been taken in place of ₹1665300/-	(100,000.00)
Less: A ch.no.610859 dt.30/09/09 wrongly deducted from expenditure on 23/11/09 as the same has already been debited from the bank on 08/10/09.	(46,800.00)
Less:A ch.no.610918 dt.01/10/09 wrongly deducted from expenditure on 04/12/09 as the same has already been debited from the bank on 08/10/09.	(1,300.00)
Less:A ch.no.776682 dt.11/11/09 wrongly deducted from expenditure on 8/12/09 as the same has already been debited from the bank on 12/11/09.	(78,000.00)
Less :wrongly cancelled in cash book dt.12/5/10 vide ch.no.467683 dt.12/11/09	(31,564.00)
Less :wrongly cancelled in cash book dt.28/5/10 vide ch.no.605096 dt.22/04/10	(5,000.00)
Less: Excess drawn (diff. of feb-10 work out by compilation on dated 03.02.11)	(376,086,291.49)
Add: less drawn (diff. of feb-10 work out by compilation on dated 03.02.11)	66,792,106.92
Less: minus 124untraced124ed less booked on dated 18/1/12	(0.15)
Less: short claim dt.28/08/12	(27,000.00)
Less: fund in clearing dt.21/08/12	(2.10)
Less: bal fund in clearing dt.21/09/12	(500.00)
Less: bal fund in clearing dt.28/09/12	(1.00)
Less: bal short claim in lieu ch.no.934384 dt.06/09/12	(30.00)
Less: Lien shortfall 23/11/12	(500.00)
Less: short claim ch.no.40514&444314 dt.17/11/12	(13.00)
Less: lien marked 09-18/10/12	(375.00)
Less: fund in clearing dt.23/01/13	(1,875.00)
Less: fund to be traced dt.28/12/12	(540,439.00)
Less: fund under clearing dt. 28/01/13 regularised less on dt.29/01/13	(2,651.00)
Less: short claim dt.16/2/13	(100.00)
Less: fund in clearing dt.25/02/13	(20,096,983.00)
Less :ch.no.727937 dt.31/07/07was wrongly can.on 22/2/13	(2,500.00)
Less: fund under clearance dt.26/06/13	(52,860,151.00)
Less: bal fund in clearing dt.20/6/13	(975.00)
Less: bal fund in clearing dt.21/6/13	(122,015.00)
Less: bal fund in clearing dt.24/6/13	(125,265.00)
Less: bal fund in clearing dt.25/6/13	(126,343.00)
Less: bal fund in clearing dt.18/6/13	(621.00)
Less: lien marked dt.22/6/13	(1,250.00)
Less: settlement dt.22/6/13	(6,379.64)
Less: fund under clearance dt.23/07/13	(62,780.00)
less: fund 25/07/13	(13,764.10)
less:12/07/13 short claim fund	(8,811.00)
Less: fund under clearance dt.13/08/13	(15,534.00)
Less: short\excess dt.17/8/13	(12,972.00)
Less: short/excess amt dt.24/08/13	(8,388.00)
Less: lien marked dt.24/08/13	(625.00)
Less: fund under clearance dt.26/08/13	(29,387.00)
Less: fund under clearance dt.21/08/13	(1.00)
Less: dt.24/9/13short/exess ch. 25792 of amt 1897/1879	(18.00)
Less: 124ntraced fund dt.24/10/13	(5,555.00)
Less: dt 14/10/13fund 124ntraced124ed ch.474176	(8,569.00)

Less: 125untraced fund dt.19/11/13	(47,940.00)
Less: 125untraced fund dt.21/11/13	(14.00)
Less: 125untraced fund dt.22/11/13	(1,794.00)
Less: 125untraced fund dt.23/11/13	(26,421.00)
Less: 125untraced fund dt.25/11/13	(40.00)
Less: 125untraced fund dt.27/11/13	(2,790.00)
Less: 125untraced minus fund dt.16/12/13	(9,030.00)
Less: 125untraced minus fund dt.19/12/13	(2,735.00)
Less: fund under clearance dt.26/12/13	(3,820.00)
Less: fund under clearing dt.27/03/14	-241,335.00
Less: less crd given by axis bank dt.28/2/14	(450,000.00)
Less: less crd given by axis bank dt.21/02/14	(0.67)
Less: less crd given by axis bank dt.27/02/14	(421.60)
less: chq rtd with wrong amt.	(6.00)
Less: chq no. 615434 dt.20/01/14 wrongly cancelled in 20/02/14 now reverse on April 2014	(54,212.00)
less: d.d cancelled against ch.no.105780 dt.13/11/13 not credited	(1,000.00)
Total	(86,59,65,831.65)
SBI closing balance as on 31/03/14	(86,59,65,831.65)
Diff	

Annexure-VI**NON MOVING STORE ITEMS****Chapter-1 (Part-II)**

CODE OF ACCOUNT	FUNCTION HEAD	CLOSING BALANCE AS ON 31.03.2010	CLOSING BALANCE AS ON 31.03.2014
4301000	Stock in Hand: Stores	9927598.03	9927598.03
4301020	Stock in Hand: Medicines Store	6662452	6662452
4301021	Stock in Hand: Medicines Charak Palika Hospital	10560	10560
4301025	Stock in Hand: Homeopathic Dispensaries	695832	695832
4301031	Stock in Hand: Bulbs Tube Lights	106374	106374
4301062	Stock in Hand: Cement	18784	18784
4301065	Stock in Hand: Others	48776	48776
4301070	Stock in Hand: Other General Stores	21318806.90	21318806.9
4301077	Stock in Hand: Other Non-consumable Stores	44316793	44316793
4302000	Stock in Hand: Loose Tools	18730	18730
4302001	Stock in Hand: Plant and Machinery	52979	52979
	TOTAL	44388502	44388502

**Gist of earlier Audit Reports on Contract Management
CHAPTER-2 (para 2.1.1)**

Sl. No.	Report year ended	Para No. and subject	Gist of the case
1	March 2007	Para 2 PA on Contract Management of construction and maintenance of Bus-Q-Shelter (BQS) on Build Operate and Transfer (BOT) basis. (period of work 1998-2007)	<p>NDMC did not have a policy for construction of BQS on BOT under Private Public Partnership (PPP), which resulted frequent changes in decision on commencement of work. Delays in providing drawing/facilities by NDMC to the contract led to delay in commencement/completion of work and consequential loss of revenue that could have accrued to NDMC.</p> <p>Failure to select site and obtain clearance from local authorities (Traffic Police, DTC) delayed the work by 16 months.</p> <p>Concessionaire was granted undue benefit of five more years in violation of the tendered terms and conditions. Liquidated damages were not recovered from the concessionaire for the delay in completion of work that was attributable to him.</p> <p>Independent Engineer for tendering and finalisation of bids for the project and framing of agreement was selected without advertising the requirement.</p> <p>Project monitoring was flawed as the Steering Committee formed for this purpose did not meet as regularly as required and even the accounts submitted by the concessionaire were not checked to assess the liability to be borne by NDMC.</p>
2	March 2007	Para 3 PA on Functioning of Building Maintenance Divisions (Period of work 2001-07)	<p>Delay in approval of annual repair and maintenance estimates.</p> <p>No history register was maintained by the Divisions to verify when and whether the repairs/maintenance has been done in the recent past.</p> <p>Large number of instances of splitting of works. Contracts were awarded to a few contractors. In BM-I, of the 733 work orders, 335 were with 7 contractors. In BM-II Division, of the 748 work orders 327 were bagged by 9 firms. Transparency in award of contracts was therefore sceptical.</p>
3	March 2007	Para 6.1 Avoidable extra expenditure (in construction of Navyug School Mandir Marg) (period 2005)	Delay in processing the tender for acceptance within the bid validity period resulted in extra expenditure (₹11.66 lakh) due to higher bid received in the subsequent tendering.
4	March 2007	Para 6.2 Avoidable extra expenditure (in re-surfacing of service roads, colony roads and bye lanes) (period of work - 2005/2006)	Delay in processing the tender for acceptance within the bid validity resulted in extra expenditure of ₹16.51 lakh due to higher bid received in the subsequent tendering.
5	March 2007	Para 6.3 Avoidable extra expenditure (in re-surfacing of service roads, colony roads and bye lanes)	Delay in processing the tender for acceptance within the bid validity resulted in extra expenditure of ₹85.94 lakh due to higher bid received in the subsequent tendering.

6	March 2007	Para 6.4 Non-recovery of outstanding dues from Sports Authority of India (SAI)	Whenever deposit works are undertaken, the amount of estimated cost is required to be obtained from the sponsoring authority in advance. NDMC has been providing maintenance cover to Dr. Shyama Prasad Mukherji Swimming Pool Complex. The amount of ₹1.36 crore due from the SAI on this account for the period from 2001 to 2007 was not received by NDMC.
7	March 2007	Para 9.1 Avoidable excess expenditure (in purchase of pillars) (period 2003)	The Department of Electricity, NDMC did not accept the tender for purchase of distribution pillars within the validity date leading to extra expenditure of ₹12.25 lakh.
8.	March 2008	Para 3.1 Irregularities in procurement of materials by exercising deviation clause beyond prescribed limit (period 2006-07)	The deviation clause in the agreement for of purchase of materials by Stores (Civil) Division prescribed a ceiling of 20% on the purchase of additional quantity at the same terms and rates. However, the Stores Division purchased additional quantity to the extent of 112.5% under the same contract, indicating poor estimation of initial requirements.
9	March 2009	Para 2 PA on Road Maintenance (Annual Repair and Maintenance of Roads) of NDMC	During the period from 2004-05 to 2008-09 there were frequent instances of re-tendering due to various lapses such as not considering revised enlistment policy of contractors, non-incorporation of approved conditions in the tenders, delay in processing of tenders, non-observance of codal provisions, etc. Tenders were not given due publicity as prescribed. There were delays in approval of annual estimates, award of contracts much in excess of the estimates. Important registers such as Budget/Expenditure Control Register, Road History Register, Reports on periodical inspection of roads etc. were not maintained There was increased pendency of final bills due to non-settlement of observation of quality control authorities. Extra and additional works in excess of the permissible ceiling of 20% was allowed without obtaining approval of the competent authority.
10	March 2009	Para 3 PA Inventory Management (Electrical)	Excess procurement of cables, indicating unrealistic estimation of requirement. Switchboard procured could not be utilised due to poor coordination between indenting department and Stores Division. Stores procured were lying idle for period upto 22 years. Cables were procured without taking into the existing stock. Materials were issued to the Divisions other than those who indented the same leading to excess issue. Unserviceable stores were lying in the Stores Division without issue.
11	March 2009	Para 7.1 Avoidable expenditure of ₹102.74 lakh on escalation charges due to delay in execution of project. (period 2006-2007)	In the contract for rectification, finishing, plumbing/sanitary and fire suppression works, there was delay in completion of other interconnected works such as approval of various types of stone textures, clearance of fire detection system, water proofing and development works, etc. Resultant delay increased the cost of completion by ₹102.74 lakh.
12	March 2009	Para 7.2 Splitting up of works	Executive Engineer Water Supply split the works and awarded them to contractors on the same day instead of clubbing the same types of work.

13	March 2009	Para 11.1 Non-recovery of excess expenditure in deposit works	C-IV Electrical undertook deposit works during 2002-09 and failed to recover ₹26.89 lakh spent in excess of the deposited amount.
14	March 2010	Para 4.1 Deficient drafting of NIT resulted in extra expenditure	Issue of the NIT without specifying the requirement of submitting e-tenders and specifying the eligibility criteria led to rejections of tenders received through conventional mode and resultant delay/extra expenditure.
15	March 2010	Para 4.2 Irregular procurement of Stores against sanctioned estimates	Electrical stores valuing ₹2 crore were procured much in advance of requirement and these were lying in stock unused for periods ranging upto 8 years.
16	March 2010	Para 4.3 Avoidable extra expenditure of ₹26.09 lakh on procurement of Stores	By ignoring the offer of firms on DGS&D Rate contracts that offered higher discounts, Electrical Department accepted offer of higher rates by another firm leading to extra expenditure.
17	March 2011	Para 4.1 Non recovery of cost of work executed on behalf of CPWD - ₹23.00 lakh	NDMC had undertaken the work of footpath of C-Hexagon which had been initially handed over to the CPWD on the condition that the expenditure on that portion of work be recovered from CPWD. The cost of renovation of the said portion of work was ₹23.00 lakh. The matter for getting reimbursement of ₹23.00 lakh had not been taken up with the CPWD.
18	March 2011	Para 4.2 Lands allotted to NDMC for specific purpose lying unused for over a decade	The Electrical Department took more than 10 years from March 2003 to obtain administrative approval, vetting of drawing from the user department and again revising the estimates which was alarming and unjustified. Resultantly land acquired for the purpose of setting up electrical sub-stations and maternity and child welfare centre at different locations.
19	March 2011	Para 4.3 Undue delay in construction of Electric Sub Station at Church Road	Rented plot allotted for construction of Electrical Sub-station was lying unused for more than 16 years and it was under unauthorized occupation of the Ministry of Finance.
20	March 2011	Para 5.1 Non-recovery of expenditure incurred on behalf of contractor	₹6.15 lakh due from a contractor for the damage inflicted to pillar and four cables, which were later set right by the department was not recovered.

**List of files unavailable for scrutiny
CHAPTER-2 (para 2.1.6)**

S. No.	Name of Division	Agreement No.	Name of Work	Tender Amount (₹ In lakh)	Name of Contractor
1	Store	06/STORE/2012-13	Supply of Synthetic Enimal Paint	46.8	M/s. Brit Paint & Camical
2	Store	29/STORE/2012-13	Supply of Road Marking Paint	21.59	M/s. Brit Paint & Camical
3	BM-I	10/EE/BM-1/2010-11	Imp. To Palika Niketan Housing Complex Gole Market	48.88	M/s. K. K. CONSTN.
4	BM-I	14/EE/BM-1/2010-11	P/F Steel Almirah in Balance Flats at Rohini Housing Complex	27.17	M/s. S.R. Steel Furnitruure
5	BM-I	39/EE/BM-1/2010-11	Maintenance work at NP Sr. Sec. School including mini stadium building	30.94	M/s. R.K. Jain & Sons
6	BM-I	42/EE/BM-1/2010-11	Maintenance work at Rohini Housing Complex	18.85	M/s. Ess Bee Associate
7	BM-I	53/EE/BM-1/2010-11	Maintenance work at SBS Place Gole Mkt.	43.82	M/s. R.K. Jain & Sons
8	BM-I	54/EE/BM-1/2010-11	P/F aluminium sliding cup board sutter at Nav Yug School Mandir Marg	10.96	M/s. S.K. Indts.
9	BM-I	57/EE/BM-1/2010-11	Maintenance work at Mohan Singh Place.	32.75	M/s. Ess Bee ASSOCIATE
10	BM-I	60/EE/BM-1/2010-11	Maintenance work at Palika Place Complex.	27.95	M/s. Expert Constn.
11	BM-I	67/EE/BM-1/2010-11	Maintenance work at Havlok Square	13.97	M/s. R.K. Jain & Sons
12	BM-I	06/EE/BM-1/2011-12	Maintenance work at Major Dhyan Chand Stadium Complex	72.96	M/s. R.K. Jain & Sons
13	BM-I	07/EE/BM-1/2011-12	Maintenance work at Shyama Prasad Mukharjee Swimming Pool Complex	62.03	M/s. R.K. Jain & Sons
14	BM-I	08/EE/BM-1/2011-12	Maintenance work at SBS Place Complex	46.97	M/s. R.K. Jain & Sons
15	BM-I	06/EE/BM-1/2012-13	Maintenance work at Citizen Facilitation Centre Gole Mkt.	10.57	M/s. R.K. Jain & Sons
16	BM-I	19/EE/BM-1/2012-13	Imp. to Bhagat Singh Mkt. Flats Gol Mkt.	38.07	M/s. R.K. Jain & Sons
17	BM-I	20/EE/BM-1/2012-13	Façade restoration & upgradation of Palika Vas Housing Complex R. K. Ashram Marg	34.67	M/s. A & N Brothers
18	BM-I	24/EE/BM-1/2012-13	Imp. to Type-I, II, & IV NO. Havlok Square School	12.78	M/s. Deep Constn.
19	BM-I	36/EE/BM-1/2012-13	Rain water harvesting under BM-I Division	31.17	M/s. Rcc Devlopers Ltd.
20	C-III	07/EE/C-III/2012-13	C/O multipurpose gym AT Laxmi Bai Nagar	15.58	M/s. Grand slam pvt. Ltd
21	C-III	10/EE/C-III/2012-13	C/O multipurpose gym AT Laxmi Bai Nagar	7.7	M/s. Kirat Inter National
22	BM-III	23/EE/BM-III/2010-11	Providing water proofing treatment in baths, wls & tarrace at CWC Housing Complex Lodi Colony	18.12	M/s. JBM Engineer Ltd.
23	BM-III	07/EE/BM-III/2010-11	Imp. to Palika Niwas Housing Complex Lodi Road	131.31	M/s. Rai Builders

24	BM-III	18/EE/BM-III/2011-12	Imp. to Palika Club Satya Marg	22.54	M/s. Bhupinder Gupal
25	BM-III	10/EE/BM-III/2012-13	Providing water proofing treatment at NP School Tilak Marg	8.02	M/s. Peeter P(I) PT. Ltd.
26	BM-III	45/EE/BM-III/2012-13	Renovation of E. S. S. NO-3 Harish Chander Mathur Lane	19.19	M/s. Vijay Tyagi
27	BM-II	61/EE/BM-II/2010-11	Imp. to M & CWC at Sarojini Nagar	26.6	M/s.
28	BM-PK	44/EE/BM/PK/2010-11	Imp. to Chander Lok Building Janpath	2019.17	M/s. R.K. Jain & Sons
29	BM-PK	09/EE/BM/PK/2010-11	Imp. to Palika Kendra	435.6	M/s. R.K. Jain & Sons
30	BM-PK	19/EE/BM/PK/2010-11	Imp. to Palika Kendra	222.69	M/s. R.K. Jain & Sons
31	BM-PK	92/EE/BM/PK/2010-11	Facad Restoration Of Palika Kunj Housing Complex Karbala	46.48	M/s. Navneet Bros
32	BM-PK	27/EE/BM/PK/2011-12	Imp. to community centre Malcha Marg	137.25	M/s. Vir Bhan Mittal
33	BM-PK	47/EE/BM/PK/2011-12	Renovation of Toilets at Palika Kendra	55.54	M/s. Shiv Gaytri Constn. Co.
34	BM-PK	53/EE/BM/PK/2012-13	Re-Development of Community Centre at Babar Road	162.94	M/s. R.K. Jain & Sons

Annexure-IX

List of improvement works undertaken by BM-I (Civil)
CHAPTER-2 [para 2.3.1(II)]

S. No.	Agreement No.	Name of work	Estimated cost (Original / Revised)	Tender amount	Justification for the work
1.	25/EE BM-I/AB/2012-13	Improvement to 256 staff quarters at Sect-XI, Rohini	₹3.61 Crore / ₹2.79 Crore	₹1.90 crore (M/s. Mathra Dass Ahuja & Sons)	The complex was built during 2000 with mosaic/plain cement floor.
2.	26/EE BM-I/AB/2012-13	P/F Aluminium frame and shutters under cooking slab, door stoppers in shutters in 256 flats at Rohini	₹49.95 lakh / ₹57.06 lakh	₹43.78 lakh (M/s. S.K. Industries)	Replace the PVC doors in 128 flats where these were provided and to provide new shutters in the remaining 128 flats.
3.	02/EE(BM-I)/AB/2010-11	Structures rehabilitation/façade restoration of Lal Bahadur Sadan Complex	₹2.65 crore / ₹2.64 crore	₹3.29 crore (M/s. India Guniting Co.)	Work taken up for structure rehabilitation and improvement of housing complex including Barat Ghar.
4.	20/EE(BM-I)/2012-13	Improvement to Palika Vas Housing Complex, R.K. Ashram Marg	₹26.81 lakh / ₹26.21 lakh	₹34.66 lakh (M/s. A&N Brothers)	Façade restoration and upgradation of Palika Vas Housing Complex, R.K. Ashram Marg
Total				₹361.87	

Annexure-X

**Non-levy of penalty on the contractors
CHAPTER-2 [para 2.4.1(VI)]**

Sr. No.	Name of the work	Name of the contractor	Tendered Amount (₹)	Year	Nos. of Labour Report	Non-Recovery of the penalty at the rate of ₹200 per labour report
Road Division-I						
1	Improvement & upgradation of Cly Road-Bapa Nagar, New Delhi	Swastic Const. Co.	23529517.00	2011	24	4800.00
2	Improvement to Drainage System at Tolstoy Marg between B.K. Road to K.G. Marg, New Delhi	S.K. Const.	433125.00	2011	6	1200.00
3	Improvement of drainage system at Hailey Road from B.K. Road to K.G. Marg, New Delhi	Bhajan Lal & Co.	1562130.00	2011	12	2400.00
4	Improvement of footpath of Feroze Shah Road & 8 other roads	Suri Brothers	32846271.00	2010	32	6400.00
5	Improvement to footpath & side berms of lanes/by lanes of Hailey Lane, Connaught lane, Pt. Ravi Shukla Lane etc.	Yatender Singh	13674578.00	2010	26	5200.00
Total No. of projects 5 Total No. of labour reports not submitted by the contractor =100 Penalty of ₹20000/- was to be recovered @ of ₹200 per labour report = 100x200						
Road Division-II						
6	Re-surfacing of amin lanes of Cly. Road under R-I Division	Chaudhary Const. Co.	26559025.00	2011	28	5600.00
Total No. of projects 1 Total No. of labour reports not submitted by the contractor =28 Penalty of ₹5600/- was to be recovered @ of ₹200 per labour report = 28x200						
Road Division-III						
7	Street scapping in Mother Teresa Crescent Road	K.R. Anand	97596319.00	2010	36	7200.00
8	Imp. To existing security walls by providing grit wash plaster at Laxmi Bai Nagar	Deep Const.	31.85 lakh	2010	8	1600.00
9	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in Laxmi Bai Nagar	K.R.Anand	8.16 crore	2011	24	4800.00
10	Construction of security brick wall with MS railing at Laxmi Bai Nagar, New Delhi	Sirohi Construction	47.91 lakh	2010	8	1600.00
11	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in East Kidwai Nagar, New Delhi	Dinesh Chander R Aggarwal	11.30 crore	2011	24	4800.00
12	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in Netaji Nagar New Delhi	M V Omini	11.23 crore	2011	24	4800.00

13	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in Netaji Nagar, Nauroji Nagar and Sarojini Nagar, Area-I	Bipin Kumar	8.16 crore	2011	24	4800.00
Total No. of projects 7 Total No. of labour reports not submitted by the contractor =148 Penalty of ₹29600/- was to be recovered @ of ₹200 per labour report = 148x200						
Road Division-IV						
14	Improvement to existing parks by red sand store alongwith MS railing in parks of South Avenue	Davender kumar	68.12 lakh	2012	12	2400.00
15	Improvement to park in D-I, D-II flats, Viney Marg, New Delhi	Vishesh Builder	1.19 crore	2011	16	3200.00
16	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in D-I, D-II flats Viney Marg	Himgiri Const.	1.84 core	2011	12	2400.00
Total No. of projects 3 Total No. of labour reports not submitted by the contractor =40 Penalty of ₹8000/- was to be recovered @ of ₹200 per labour report = 40x200						
Road Division-V						
17	Improvement & upgradation of Cly Roads & backside lane taken over from CPWD in Sector I & III DIZ Area Gole Mkt, New Delhi	Sanjeev Kumar & Bros.	57439093.00	2011	24	4800.00
18	Improvement of Shivaji Bus Terminal	Maini Const. Co.	7734305.00	2010	17	23600.00
Total No. of projects 2 Total No. of labour reports not submitted by the contractor =41 Penalty of ₹8200/- was to be recovered @ of ₹200 per labour report = 41x200						
Total						91600.00

Annexure-XI

**Payment to the contractor on account of labour escalation under clause 10(C) of contract
CHAPTER-2 [para 2.4.2(I)]**

Road Division-I					
Sr. No.	Name of Work	Payments made to the contractor (in ₹)	Payment of Labour Escalation to contractor	Percentage of labour escalation charges	Provision of labour component in Schedule 'F' of the agreement
1	Maintenance of underground pedestrian walkway under R-I Division	2871369/-	196661/-	6.84	Labour component was not specified in schedule F.
2	Improvement to remaining furnishing parks in Kaka Nagar colony Tilak Lane	3348259/-	211098/-	6.30	-do-
3	Constructing table top crossing in approach at Bhagwan Dass Road	1205421/-	58147/-	4.82	-do-
4	Improvement of Central Verge	3657079/-	73944/-	2.02	-do-
	Total		539850 lakh		

Road Division-II					
Sr. No.	Name of Work	Total value of work	Payment made on account of labour escalation (in ₹)	Percentage of labour escalation charges paid to the contractor	Provision of labour component in schedule 'F' of the agreement
1	Improvement of existing footpath at II & III avenue, Lodhi colony	68.29 Lakhs	282678/-	4.14%	Labour component was not specified in Shedule F
2	Improvement of parks & open space around parks in pandra road colony	47.18 Lakhs	170645/-	3.62%	--do--
3	Improvement to Existing Boundary Wall at bahrti nagar	37.39 Lakhs	123188/	3.29%	---do---
	Total		576511		

Road Division-III					
Sr. No.	Name of Work	Payments made to the contractor	Payment of Labour Escalation to contractor	Percentage of labour escalation charges	Provision of labour component in Schedule 'F' of the agreement
1	Improvement and upgradation of colony roads, back lanes taken over from CPWD in Netaji Nagar	11.90 crore	1.32 crore	11.09	Labour component was not specified in schedule F.
2	Improvement to existing security walls by providing grit wash plaster at Laxmi Bai Nagar	36.65 lakh	4.15 lakh	11.5	-do-
3	Construction of security brick wall with MS railing in back side of quarter (363-756) at Laxmi Bai Nagar	46.90 lakh	3.37 lakh	7%	-do-

4	Maintenance of underground pedestrian walkway	27.57 lakh	1.43 lakh	5%	-do-
5	Improvement to existing footpath at Netaji Nagar, Nauroji Nagar & Sarojini Nagar area	4.54 crore	15.52 lakh	3.42	-do-
6	Imp. & upgradation of cly road back lane taken over from CPWD in Moti Bagh area New Delhi	8.23 crore	14.05 lakh	1.70	-do-
7	Imp. & upgradation of colony road back lanes taken over from CPWD in East Kidwai Nagar	9.34 crore	9.76 lakh	1.04	-do-
8	Imp. & upgradation of cly road back lane taken over from CPWD in Laxmi Bai Nagar	7.16 Crore	6.50 lakh	.91%	-do-
9	Construction of security wall back lane of D&F block type II qtrs. Netaji Nagar, New Delhi	59.47 lakh	1.91 lakh	0.32%	-do-
	Total		1.89 crore		

Total number of projects 16 & total amount paid ₹1.94 crore.

Annexure-XII

Chapter-3 (Para 3.2.2)

Details of Outstanding Licence Fees in respect of Parking Lots

S. No.	Name of Parking Lot	Name of Occupant	Area of Parking in Sq.m	Rate of Licence Fee (₹) per month)	Licence Fee due as on 31/03/2014			Remarks
					L. Fees (in ₹)	Interest (in ₹)	Total (in ₹)	
1	Inner & Outer Circle , Connaught Place Group -1	Sh. Pinto	19572	3456999	1331737	289587	1621324	Outstanding upto June,2014. Possession taken back on 5 June, 2014 and given to new contractor. Final notice is yet to be issued.
2	Surrounding Connaught Place. Group-II	M/S Urban Solutions	10129	1362500	13464417	1713736	15178153	The amount worked out is outstanding as on 8.10.2014.Site handed over to DIMIS on 25.5.2014. final notice issued on 26 th April-2014 to the contractor.
3	South West. Group-III	Sh. Mohinder Chopra	26162	1516888	10995041	1565699	12560740	The amount worked out is outstanding as on October.2014.Site handed over to DIMIS on 19May2014 Final notice issued on 14.11.2014
4	India Gate Group-IV	Sh. K.S. Chauhan	22622	1937998	18526049	1854953	20381002	The amount worked out is outstanding as on May2014.Site handed over to DIMIS on May2014 The dispute regarding determination of parking area has been referred to arbitration, final outcome is awaited.
5	B.K. Road & Janpath. Group-V	Sh. Mohinder Chopra	17290	3853788	41766078	3342699	45108777	The amount worked out is outstanding as on February 2014.Site handed over to DIMIS on May2014 Department has issued final notice on 16 th April-2014 to the contractor.
	Total				86083322	8766674	94849996	

Annexure-XIII

Chapter-3 [Para 3.2.2 (b)]

Arrear remained under repair/maintenance/construction activities

Parking Lot	Concerned Department	Location	Area Withdrawn	Period of withdrawal In months	Period of withdrawal	Date of confirmation sent to E. D.	Delay If any	
Group No II	E.E.C.P. Project	P-Block Opp.Madras Hotel	1021	6	5.5.2011 to 22.11.2011	16.11.2012	12	
		Between P.K.Road and Chelmsford Road	765	17	1.4.2011 to 31.8.2012	16.11.2012	2	
		Between P.K.Road and Chelmsford Road	806	2	1.9.2012 to 7.11.2012	16.11.2012	-	
		Scindia House Parking in front of T.B.D.Jeweller	36	8	1.4.2011 to 14.12.2011	16.11.2012	-	
		Scindia House Parking in front of T.B.D.Jeweller	50	1	15.12.2011 to 21.1.12	16.11.2012	10	
		Scindia House Parking in front of T.B.D.Jeweller	180	9	31.1.2012 to 7.11.2012	16.11.2012	-	
		Palika Place R.K.Ashram Marg	814.68	-	1.4.2011 to 10.4.2011	5.10.2011	6	
		Palika Place R.K.Ashram Marg	874.68	3	11.4.2011 to 9.8.2011	5.10.2011	2	
		Palika Place R.K.Ashram Marg	1560	4	10.8.2011 to 1.1.2012	6.9.2012	8	
		Palika Place R.K.Ashram Marg	1785	6	2.1.2012 to 30.6.2012	6.9.2012		
		Palika Place R.K.Ashram Marg	1204	23	1.7.2012 to 25.5.2014	6.9.2012	-	
		Palika Place R.K.Ashram Marg	293		1.4.2011 to 25.5.2014	12.12.2012	-	
			Scindia House in front of Federal Motors	75 Sq.Mtr	7	4.12.2012 to 28.8.2013	13.2.2014	5 months
			In front of KFC Restraurant	240 Sq.Mtr	1	22/3/2013 to 15.5.2013	13.2.2014	9 months
			Behind Rivoli Cinema	200 Sq.Mtr	1	4.1.2014 to 10.2.214	13.2.2014	-
			Scindia House Parking area	1000 Sq.Mtr		28.8.2013 to 15.12.2013	13.2.2014	2 months
			Scindia House Parking area	180 Sq.Mtr		22.3.2013 to 28.8.2013	13.2.2014	5 months
Group III	E.E.R-IV	Malcha Marg	1046	10	21.3.2012 to 31.1.2013	28.3.2013	2	
		Sarojini Nagar Market	9455	-	6.5.2012 Permanently			
		Niti Marg	3457 275	15	5.1.2013 to 18.5.2014	10.5.2013	-	
		Delhi Haat	2247	23	18.12.2012 to 18.5.2014	10.5.2013		
		Delhi Haat	577	3	29.6.2012 to 10.10.2012	5.1.2013	3	
		-do-	412	6	11.10.2012 to 17.12.2012	5.1.2013	-	

Annexure-XIV

Details of Notice

Chapter-3 [Para 3.2.3 (iii)]

Amount in ₹

Cases where no notice were Issued								
S.No.	Type	Name of Licences	Monthly Fees	Amt. due on 31.03.14	Date of Notice	Amt. as per Notice	Present status	Remarks
1	222	Ganga Ram	528	3878				
2	221-M-04	Ramkumar	264	3960				
3	152-M-04	Ram Lakhani	396	5940				
4	152-M-03	Anil Kumar	396	6276				
5	153-M-09	Ram Sunder	396	8426				
6	109-M-01	Kashmir Singh	264	8448				
7	303-M-01	Brij Nath Singh	264	12022				
8	108-T-24	Lata	792	12355				
9	166-T-43	Parey Lal	528	12672				
10	166-T-23	Tej Mohmad	528	13892				
11	405-M-03	Ram Singh	264	14510				
12	134-M-08	Daulat Ram	396	16632				
13	170-M-01	Methai Lal	264	16900				
14	218-T-04	Ravinder	528	16928				
15	218-T-05	Aran Kumar Singh	528	16928				
16	166-T-03	Bhudev	528	17952				
17	145-M-02	Panna Lal	396	18408				
18	178-T-02	Devender Pal	528	21152				
19	118-T-01	Dinesh Prasad	792	21173				
20	134-M-32	Premnath	396	21772				
21	305-M	Rameshwar	264	22036				
22	134-T-05	Leela	792	22422				
23	IOB-T-09	Nandram	792	23046				
24	401-T-02	Bhudev	528	24292				
25	108-T-36	Shakuntla	792	24552				
26	218-T-10	Billu Ram	792	25356				
27	134-T-04	Shobha	792	25810				
28	114-M-01	Kundan Singh	396	29200				
29	156-S-02	Rajjomal	792	29304				
30	112-M-02	Sirph nath	396	29700				
31	108-T-31	Laxmi	792	29778				
32	126-M-06	Murti Devi	396	30090				
33	170-T	Mohinder Kaur	528	31790				
34	515-M-01	Puran	264	32088				
35	Old Tehbazari South-40	Anish Ahmed	352	32384				
36	401-T-09	Manoj Kumar	792	75241				
	Total			7,57,313				

Cases where no notice were issued after August-2007								
S.No.	Type	Name of Licences	Monthly Fees	Amt. due on 31.03.14	Date of Notice	Amt. as per Notice	Present status	Remarks
1	115-S-02	Naresh Kumar Gupta	792	44528	31.12.07	18216		
2	508-T-03	Ramphal	528	33854	24.11.05	14970		
3	112-T-02	Mewa Ram	792	37920	09.11.05 22.06.07	16488 12672		
4	211-T-01	Mishrilal	528	68160	21.11.05	14832		
5	137-M-03	Ranbir Singh	396	47875	05.05.06	9804		
6	401-T-08	Rajender	528	49104	24.11.05	15600		
7	125-T-01	Vinod Kumar	792	23346	22.11.05 03.05.06	7848 3960		
8	173-T-01	Swami Dass	528	33848	21.11.05	23520		
9	134-M-16	Naveen Kumar	396	8256	23.11.05	5424		
10	151-T-01	Narad Singh Chauhan	792	12672	16.05.06	5544		
11	141-T-03	Suneel	264	12640	10.07.07	7238		
12	155-M-02	Patta	396	10660	08.11.05	12428		
13	218-T-08	BB Butt	792	30394	20.12.05 20.08.07	7920 14156		
14	168-M-01	Ram Shankar Yadav	264	12204	21.11.05	10272		
15	134-T-07	Sardar Singh	792	39204	10.11.05 22.06.07	15168 30216		
16	144-M-02	Suresh	264	16734	03.05.06	3244		
17	204-T-01	Ram Bhahadur	528	37018	20.08.07	13728		
				5,18,417				
Notice issued first time								
S.No.	Type	Name of Licences	Monthly Fees	Amt. due on 31.03.14	Date of Notice	Amt. as per Notice	Present status	Remarks
1	108-T-10	Umed Bhai	240	5544	28.05.14	5544		
2	T-01	Prem Chand	240	7128	27.06.14	7128		
3	T-11	Bhoop Ram	240	7128	27.06.14	7128		
4	M-04	Raju Sharma	240	9772	17.06.14	9772		
5	P-15	Shankar Lal	240	11088	27.06.14	11088		
6	10B-T-49	Jai Singh	240	11880	28.05.14	11880		
7	202-T-16	Mannu	792	12672	27.06.14	12672		
8	202-T-10	Lalaram	792	12672	27.06.14	12672		
9	201-M-03	Manohar Lal	264	12144	05.12.14	14256		
10	T-06	Phoolan Devi	240	14256	27.06.14	14256		
11	134-T-06	Suresh Kumar		9504	05.12.14	15840		
12	108-T-08	Kanwar	792	16184	28.05.14	16184		
13	Hardship case	Babu Lal	264	16478	25.11.14	18854		
14	202-T-04	Ram Babu	240	19800	08.09.14	19800		
15	108-T-09	Heera	792	21452	28.05.14	21452		
16	126-M-02	Ramcharan	396	19008	05.12.14	22176		
17	108-T-5	Surju	240	22698	28.05.14	22698		

18	202-T-07	Hari singh	792	23048	27.06.14	23048		
19	111-M-02	Om prakash Jain	396	22276	05.12.14	25444		
20	202-T-03	Shiv Pd	792	26136	08.09.14	26136		
21	202-T-08	Sukh bir Singh	240	27640	08.09.14	27640		
22	North -117	Thakur Pal Singh	264	37854	26.11.14	39702		
23	202-M-02	Ashok Kumar	396	48374	27.05.14	48374		
24	202-T-05	S C Gupta	792	48394	08.09.14	48394		
25	North-31	Inder Sen	396	51660	16.11.14	54432		
26	T-17	Ashok Kumar	240	63176	27.06.14	63176		
	Total			5,77,966				

Notice issued during 2012-13 to 2014-2015

S.No.	Type	Name of Licences	Monthly Fees	Amt. due on 31.03.14	Date of Notice	Amt. as per Notice	Present status	Remarks
1	150-S-02	Raj Kumar	792	5544	11.12.12	11088		
2	IOB-T-12	Inderjeet	792	10296	20.10.05 01.12.14	10848 16632		
3	Old Tehbazari North -144	Rati Ram	264	15068	18.09.12 27.12.12 26.11.14	12428 13220 14540		
4	134-M-26	Ram Lal	396	17028	19.04.06 05.12.14	5944 19404		
5	Old Tehbazari North -20	Sarwan Lal	594	17560	18.09.12 21.12.12 21.02.13	16272 8056 9244		
6	Old Tehbazari North -40	Samargi Devi	396	18128	27.12.12 18.09.12 19.02.13 26.11.14	26792 25604 27584 20900		
7	108-T-13	Sharda	792	18968	19.02.13 26.11.14	34848 53856		
8	108-T-12	Shanta	792	18968	27.09.07 28.05.14	7128 18968		
9	221-T-01	Raja Ram	528	19118	22.02.13	22022		
10	Old Tehbazari North -38	Savitri Devi	792	21544	18.09.12 19.12.12 19.02.13 01.09.14	30496 32872 34456 21544		
11	Old Tehbazari North -146	Yogender Sharma	396	28512	18.09.12 19.02.13	20988 22968		
12	206-T-02	Chotey Lal	528	33262	18.11.05 01.12.14	18072 37486		
13	108-T-25	Lela	792	35778	19.02.13 24.11.14	23106 35778		
14	134-M-38	Shankar Lal	396	38620	22.11.05 05.12.14	6144 41788		
15	218-T-17	Dhanpat	528	42048	25.02.13 26.11.14	33600 46272		

16	202-T-20	Tejpal Singh	792	55440	25.02.13 08.09.14	42768 55440		
17	125-T-06	Shobha Jain	792	74498	10.11.05 21.02.13	11088 72078		
18	202-T-19	Vinod Singh	792	95800	22.11.05 25.02.13	16608 83136		
				566180				
Cancelled Cases								
S.No.	Type	Name of Licences	Monthly Fees	Amt. due on 31.03.14	Date of Notice	Amt. as per Notice	Present status	Remarks
1	Old Tehbazari South -17	Narender Kumar Gupta	264	33758	15.04.14 30.07.14	33758 34540	Cancelled on 03.09.14	due to heavy outstanding amount
2	PCO-7	Surender Kumar	527	36409	06.02.13 11.03.13		Cancelled on 05.06.13	Non Payment and death
3	North-10	Mam Raj	792	44679	09.05.05 06.07.11 18.09.12 30.11.12 19.02.13 12.11.13	15953 16832 31088 32672 34256 39800	Cancelled on 22.08.14	Non Payment and death
4	North-71	Savitri Devi	528	47520	02.05.05 03.08.06 17.11.11 18.09.12 19.12.12 19.02.13 03.09.14	30304 5808 32736 37488 39072 40128 47250	Cancelled on 23.09.14	due to heavy outstanding amount
5	MT-12	Panna Lal	297	54468	06.03.12 09.07.12		Cancelled on 04.09.12	Non Payment and death
6	South-26	Shankar Jeet Gupta	396	56004	24.11.06 01.07.11 23.05.14 28.07.14	20532 41748 56004 57192	Cancelled on 03.09.14	due to heavy outstanding amount
7	MT-19	Dhan Chand	297	58658	06.03.12 09.07.12 03.09.12		Cancelled on 17.05.13	Non Payment and death
8	D & C -24	Hans Raj	374	70523	29.02.12	59303	cancelled on 06.12.13	Non Payment and death
9	D & c-22	Inderawati	374	70687	29.12.11 15.02.13 27.09.13	57597 65825 67695	cancelled on 23.07.14	Non Payment of fee
10	D & C-20	Mulkh raj	374	73016	29.02.12 15.02.13	59926 68154	cancelled on 09.01.14	Non Payment of fee

11	D & C -3	Trilok Nath	374	75050	29.02.12 15.02.13	66202 70188		Demolish in Commonwealth Games
12	North -57	Har narain	528	95283	02.05.05 03.08.06 14.11.11 18.09.12 19.12.12 19.02.13 06.11.13	38256 64320 79971 85261 86835 87891 91587	Cancelled as on 22.08.14	Non Payment and death
13	Old Tehbazari North -92	Ganga Shankar	528	113620	24.09.07 18.09.12 21.12.12 19.02.13	71380 103580 105172 106228	Cancelled on 11.09.14	due to heavy outstanding amount
				8,29,675				
110		Grand Total		3249551				

Annexure -XV

Under recovery of licence fees

Chapter-3 [Para 3.2.4 (b)]

(Amount in ₹)

S. No.	Type of Tharas	D& C Register S. No.	Name of Allottee	Address	Area Sq. ft	License fee applicable (01.09.04 to 31.08.14) for CP area	License fee (01.09.04 to 31.08.14) for other than CP area	Difference in Rate of L. Fee.	Lesser licence Fee recovered From 01.04.13 to 31.03.14
1	2	3	4	5	6	7	8	9	10
1	Old Teh Bazari	144	Sh. Rati Ram	Behind Madras Hotel	12	33	22	11	1584
2	Old Teh Bazari	45	Smt. Hardwari	Jan Path Lane	16	33	22	11	2112
3	Thareja Verified	302	Sh. Dinesh Kumar	Connught Place	24	33	22	11	3168
4	Thareja Verified	338	Sh. Amrish Kumar	Ashoka Yatri Niwas	24	33	22	11	3168
5	Thareja Verified	339	Sh. Naresh Gupta	Ashoka Yatri Niwas	12	33	22	11	1584
6	Thareja Verified	340	Sh. Prem Singh	Ashoka Yatri Niwas	12	33	22	11	1584
7	Thareja Verified	341	Sh. Suresh	Ashoka Yatri Niwas	12	33	22	11	1584
8	Thareja Verified	342	Sh. Surjan Singh	Ashoka Yatri Niwas	12	33	22	11	1584
9	Thareja Verified	343	Sh. Ram Shankar	Ashoka Yatri Niwas	24	33	22	11	3168
10	Thareja Verified	344	Sh. Manohar Lal	Ashoka Yatri Niwas	12	33	22	11	1584
11	Thareja Verified	345	Sh. Jeet Singh	Ashoka Yatri Niwas	12	33	22	11	1584
12	Thareja Verified	346	Sh. Amir Chand	Ashoka Yatri Niwas	12	33	22	11	1584
13	Old Teh Bazari	140	Smt. Rukmani Devi	Kalawati Hospital	12	33	22	11	1584
14	Old Teh Bazari	141	Sh. Mohan Lal	Kalawati Hospital	18	33	22	11	2376
15	Old Teh Bazari	142	Sh. Raj Kumar	Kalawati Hospital	18	33	22	11	2376
16	Thareja Verified	350	Sh. Ravinder Kumar	Kalawati Hospital	24	33	22	11	3168
17	Thareja Verified	349	Sh. Satish Kumar	Kalawati Hospital	24	33	22	11	3168
18	Thareja Verified	351	Sh. Arun Kumar	Kalawati Hospital	24	33	22	11	3168
19	Thareja Verified	354	Sh. Tara Chand	Kalawati Hospital	12	33	22	11	1584
20	Thareja Verified	355	Sh. Treveni Prasad	Kalawati Hospital	12	33	22	11	1584
21	Thareja Verified	356	Sh. R. K. Gupta	Kalawati Hospital	12	33	22	11	1584
22	Thareja Verified	357	Sh. Bhagwan Dass	Kalawati Hospital	24	33	22	11	3168
									48048

Annexure-XVI

Instances of wrong totaling in D&C Register

Chapter-3 [Para 3.2.4 (c)(iv)]

S. No.	Month & Year	Type of Thara	Register S. No.	Name of Allottee	wrong Total	correct total
1	Apr-14	Mochi Thara	23	Bala Devi	26461	26261
2	Nov-12	C.R.T.	3	Trilok Nath	69066	70236
3	Dec-11	C.R.T.	25	Joseph Marry	97142	67142
4	Mar-12	Vegetable Thara	4	Revati Ram	18672	18762
5	Aug-13	Old Tehbazari	108	Chiranji Lal	6956	2732
6	May-13	Old Tehbazari	107	Krishan Kr. Verma	8448	Nil
7	May-13	Old Tehbazari (S)	35	Anil Kr.	1056	704
8	May-13	Old Tehbazari (S)	36	Tara Chand	6820	6755
9	May-13	Old Tehbazari (S)	37	Mukh Raj	33228	32876
10	May-13	Old Tehbazari (S)	38	Gurmeet Singh	3155	2803
11	May-13	Old Tehbazari (S)	39	Amar Singh	4948	4596
12	May-13	Old Tehbazari (S)	40	Anish Ahmad	28864	28512
13	May-13	Old Tehbazari (S)	43	Mohd. Sikander	1408	1056
14	Jul-13	Old Tehbazari (S)	39	Amar Singh	9511	5652
15	Sep-13	Old Tehbazari (S)	49	Mohinder Kumar	5488	34962

Annexure-XVII

Instances of cutting/over writing in D&C Register

Chapter-3 [Para 3.2.4 (c)(v)]

S. No.	Month & Year	Type of Thara	Register S. No.	Name of Allottee
1	Apr-12	Mochi Thara	22	Ram Prashad
2	May-12	Mochi Thara	21	Ram Singh
3	Apr-13	Thareja Verified	339	Naresh Gupta
4	Apr-13	Thareja Verified	363	Raja Ram
5	Apr-13	Thareja Verified	364	Udai Ram
6	Apr-13	Thareja Verified	402	Arjun.
7	Dec-13	Cycle Repair Thara	10	Som Praksh
8	Jan-14	Cycle Repair Thara	14	Smt. Laxmi Devi
9	Mar-14	Cycle Repair Thara	16	Subhash Chander
10	Dec-13	Cycle Repair Thara	30	Joginder Singh
11	May-13	PCO Booth	7	Surender Kumar
12	Mar-14	PCO Booth	8	Hari Parkash
13	Aug-13	PCO Booth	14	Smt. Asha Jassal
14	Apr-12	PCO Booth	20	Anurag

Source D&C Register

Annexure – XVIII

Loss of Interest due to delay in investment of funds for the year 2011-2014

Chapter-4 (Para 4.2.2)

(₹ in crore)

Loss of Interest due to delay in investment of funds for the year 2011-2012									
Assessments of funds based on inflow/outflow statement fortnightly	Investable fund	Date of minutes of meeting/investment	Name of Banks	Amount Invested	Rate of Interest %	Period	Fund	Delay in investment of funds in days beyond 05 days	Loss of Interest
16.06.11	49.25	21.06.2011	Yes Bank	40	10.16	1 Year	General Fund	1	0.011134247
01.01.12	71.91	09.01.2012	J& K Bank	20	9.95	1 Year	General Fund	4	0.021808219
		09.01.2012	Yes Bank	50	9.92	1 Year	General Fund	4	0.054356164
16.03.12	67.25	21.03.2012	Bank of Baroda	50	11.06	1 Year	General Fund	1	0.015150685
							Total		0.102449315
Loss of Interest due to delay in investment of funds for the year 2012-2013.									
Assessments of funds based on inflow/outflow statement prepared fortnightly	Investable fund	Date of minutes of meeting/investment	Name of Banks	Amount Invested	Rate of Interest %	Period	Fund	Delay in investment of funds in days beyond 05 days	Loss of Interest
16.06.12	68.33	22.06.2012	ICICI	68	9.96	13 months	General Fund	2	0.037111233
01.08.12	41.73	08.08.2012	Yes	32	9.55	1y	General Fund	3	0.025117808
01.08.12		08.08.2012	IDBI	18	9.26	1y 11m 29d	General Fund	3	0.013699726
16.08.12	48.8	21.08.2012	ICICI	40	9.3	1y 2 m 30d	General Fund	1	0.010191781
01.09.12	39.76	10.09.2012	Corporation	80	9.25	1y 11m 28d	General Fund	5	0.101369863
01.10.12		10.10.2012	IDBI	250	9	15m	General Fund	5	0.308219178
16.11.12	34.28	29.11.12	Axis	25	9.1	4y 11m 29d		4	0.024931507
01.12.12	30.51	10.12.2012	Axis	50	9.1	5y	General Fund	5	0.062328767

01.12.12	29.87	14.12.2012	Vijaya	4.999	9.1	1y	General Fund	9	0.011216934
01.12.12		14.12.12	OBC	5.001	9	23m	General Fund	9	0.01109811
01.12.12		14.12.12	Canara	10	9	23m	General Fund	9	0.022191781
16.12.12		21.12.2012	Corporation	5	9.25	444d	General Fund	1	0.001267123
16.12.12		21.12.12	Canara	50	9.05	4y 11m 29d	General Fund	1	0.01239726
16.12.12		21.12.12	Karnataka	100	9.05	5y	General Fund	1	0.024794521
16.12.12	29.08	31.12.2012	Corporation	5	9.25	444d	General Fund	11	0.013938356
16.12.12		31.12.2012	Axis	25	9.1	1y30d	General Fund	11	0.068561644
01.01.13	106.65	07.01.2013	S.B.of Patiala	50	9.1	1y11m30d	General Fund	2	0.024931507
01.01.13	56	10.01.2013	Federal	15	9.11	1y	General Fund	5	0.018719178
01.01.13		10.01.2013	IDBI	45	9.1	15m	General Fund	5	0.05609589
16.01.13	220.29	21.12.2012	Karnataka	100	9.25	5y	General Fund	1	0.025342466
16.01.13		23.01.2013	Federal	25	9.12	1y	General Fund	3	0.018739726
01.02.13	5.36	11.02.13	Fedral	5	9.26	1y2d	General Fund	6	0.007610959
01.03.13	34.49	11.03.13	Canra	75	9.67	1y11m30d	General Fund	6	0.119219178
							Total Amount		1.019094496

Loss of Interest due to delay in investment of funds for the year 2013-2014.

Assessments of funds based on inflow/outflow statement prepared fortnightly	Investable fund	Date of minutes of meeting/investment	Name of Banks	Amount Invested	Rate of Interest %	Period	Fund	Delay in investment of funds in days beyond 05 days	Loss of Interest
01.04.13		09.04.13	Canara	50	9.1	4y11m 29d	General Fund	4	0.049863014
01.05.13	15.23	06.05.13	Vijaya	25	9.25	1y	General Fund	1	0.006335616
16.05.13	990.09	21.05.13	Canara	760	9	1y11m 30d	General Fund	1	0.18739726
16.05.13		21.05.13	Corp	5	9	4y11m 30d	General Fund	1	0.001232877
16.05.13		21.05.13	Corp	5	9.1	555d	General Fund	1	0.001246575

16.05.13		21.05.13	Karnat	8.5	9	2y	General Fund	1	0.00209589
16.05.13		21.05.13	Union	10	9	2y11m30d	General Fund	1	0.002465753
16.05.13		22.05.13	Vijaya	25	9.1	1y	General Fund	2	0.012465753
16.05.13		22.05.13	Corp	5	9	4y11m29d	General Fund	2	0.002465753
16.05.13		22.05.13	Corp	5	9.1	555d	General Fund	2	0.002493151
16.05.13		22.05.13	Karnat	15.51	9	2y	General Fund	2	0.007648767
16.05.13		22.05.13	Union	10	9	2y11m29d	General Fund	2	0.004931507
16.05.13		22.05.13	Federal	0.99	9	2y11m29d	General Fund	2	0.000488219
16.05.13		28.05.13	SBI	75	7.5	15d	General Fund	8	0.123287671
01.06.13	48.73	11.06.13	Karnat	50	9	2y	General Fund	1	0.012328767
16.06.13	297.83	21.06.13	IndusInd	200	9.11	1y1m	General Fund	1	0.049917808
16.06.13		26.06.13	Karnat	40	9	2y	General Fund	5	0.049315068
01.07.13	44.67	08.07.13	Karnat	5	9	3y	General Fund	3	0.00369863
01.07.13		08.07.13	IOB	9.99	8.8	18m	General Fund	3	0.007225644
01.07.13		08.07.13	SBI	30.01	8.75	4y11m29d	General Fund	3	0.021582534
16.09.13	58.76	30.09.13	Union	58	10.05	1y	General Fund	10	0.15969863
01.10.13	6.04	15.10.13	Andhra	5	9.4	444d	General Fund	10	0.012876712
01.01.14	380.26	10.01.14	Karur V	115	9.51	1y	General Fund	5	0.149815068
01.01.14		10.01.14	Yes	144	9.45	2y	General Fund	5	0.186410959
01.01.14		10.01.14	J&K	111	9.31	1y	General Fund	5	0.141563014
01.01.14		10.01.14	Karnat	5	9.5	2y	General Fund	5	0.006506849
01.02.14	36.24	07.02.14	J&K	35	9.55	1y	General Fund	2	0.018315068
							Total		1.223672562

Annexure-XIX

Total investment in private & public sector banks during last three years

Chapter-4 [Para 4.2.4(V)]

(₹ in crore)

Name of Bank	Year of investment	Amount invested in bank	Total investment made by NDMC	Percentage of investment in bank out of total investment
Yes Bank	2011-12	355.45	670.83	
	2012-13	167.50	1857.75	
	2013-14	274.38	2640.75	
	Total	797.33	5169.33	15.42
J&K Bank	2011-12	79.00		
	2012-13	50.80		
	2013-14	233.50		
	Total	363.30	5169.33	7.02
Axis Bank	2012-13	479.00		
	2013-14	77.15		
	Total	556.15	4498.50	12.36
Indusind Bank	2011-12	146.45		
	2012-13	49.00		
	2013-14	225.10		
	Total	420.55	5169.33	8.13
Karnataka Bank	2012-13	106.45	1857.75	
	2013-14	176.71	2640.75	
		283.16	4498.50	6.29
Karur Vysya Bank	2013-14	296.49	2640.75	11.23
			Total	60.45

Present investment in private & public sector banks (as on December 2014)

	Name of Private Bank	Amount invested	Name of Public Sector Bank	Amount invested
1	Yes Bank	247.00	Allahabad Bank	9.00
2	J&K Bank	500.00	Andhra Bank	5.00
3	Axis Bank	335.00	Bank of India	20.00
4	Indusind Bank	236.00	Canara Bank	990.00
5	Karnataka Bank	239.01	Corporation Bank	20.00
6	Karur Vysya Bank	251.00	Indian Overseas bank	9.99
7	Ing vysya Bank	327.07	State Bank of India	30.01
8	Federal Bank	50.99	State Bank of Travencore	165.00
9	South Indian Bank	80.00	Union Bank of India	20.00
10	DCB Bank	100.00	Vijay Bank	280.00
11	-	0	State Bank of Patiala	70.00
	Total	2366.07	Total	1619
	Percentage of total Investment	59%	Percentage of total Investment	41%

Annexure-XX

Year wise investment in Banks

Chapter-4 [Para 4.2.4(VI)(b)]

(₹ in crore)

S.No.	NAME OF BANK	Investment	S.No.	NAME OF BANK	Investment	S.No.	NAME OF BANK	Investment
2011-12			2012-13			2013-14		
1	ANDHRA BANK	2	1	ALLAHABAD BANK	0.18	1	ALLAHABAD BANK	7
2	BANK OF BARODA	58.88	2	ANDHRA BANK	28.5	2	ANDHRA BANK	0.48
3	FEDERAL BANK	10.25	3	AXIS BANK	479	3	AXIS BANK	77.15
4	HDFC BANK	2	4	BANK OF BARODA	15.37	4	BANK OF INDIA	0.09
5	INDUSIND BANK	146.45	5	BANK OF INDIA	0.88	5	CANARA BANK	865.2375
6	JAMMU & KASHMIR BANK	79	6	CANARA BANK	60	6	CORPORATION BANK	34
7	STATE BANK OF TRAVANCORE	5.75	7	CENTRAL BANK OF INDIA	17	7	FEDERAL BANK	0.99
8	YES BANK	355.45	8	CORPORATION BANK	111	8	IDBI BANK	3.45
	TOTAL	659.78	9	FEDERAL BANK	50.63	9	INDIAN OVERSEAS BANK	9.99
			10	HDFC BANK	22.5	10	INDUSIND BANK	225.1
			11	ICICI BANK	64.93	11	JAMMU & KASHMIR BANK	233.5
			12	IDBI BANK	472.5	12	KARNATKA BANK	176.716
			13	INDUSIND BANK	49	13	KARUR VYSYA BANK	296.49
			14	JAMMU & KASHMIR BANK	50.8	14	STATE BANK OF INDIA	30.01
			15	KARNATKA BANK	106.45	15	STATE BANK OF PATIALA	7.5
			16	ORIENTAL BANK OF COMMERCE	7.041	16	STATE BANK OF TRAVANCORE	4.47
			17	STATE BANK OF INDIA	50	17	UBI	58.195
			18	STATE BANK OF PATIALA	63	18	UNION BANK OF INDIA	20
			19	STATE BANK OF TRAVANCORE	9	19	VIJAYA BANK	316
			20	VIJAYA BANK	32.469	20	YES BANK	274.38
			21	YES BANK	167.5		TOTAL	2640.749
				TOTAL	1857.75			

Annexure-XXI

Quotations called for during the year 2011-2014

Chapter-4 [Para 4.2.4(VI)(b)]

Quotations called for during the year 2011-12		
Date of Minutes of meetings	Quotations called for	No. of Banks responded
06.04.11	32	15
20.04.11	30	16
28.04.11	32	16
05.05.11	32	18
01.06.11	32	21
06.06.11	32	16
21.06.11	29	14
05.07.11	32	18
22.07.11	32	20
01.08.11	32	18
18.08.11	32	16
01.09.11	32	14
16.09.11	32	16
20.10.11	32	16
04.11.11	32	14
11.11.11	32	15
18.11.11	32	16
05.12.11	32	14
09.12.11	32	16
15.12.11	32	16
20.12.11	30	18
06.01.12	32	19
09.01.12	32	14
18.01.12	30	21
02.02.12	32	18
15.02.12	32	12
06.03.12	32	12
12.03.12	32	14
21.03.12	32	20
Quotations called for during the year 2012-13		
04.04.12	30	15
09.04.12	29	13
03.05.12	29	17
07.05.12	29	15
14.05.12	29	14
18.05.12	29	18
24.05.12	28	10
22.06.12	28	13
28.06.12	28	12
05.07.12	28	15

09.07.12	28	9
16.07.12	28	12
20.07.12	28	8
23.07.12	28	6
26.07.12	28	10
01.08.12	29	11
08.08.12	29	14
16.08.12	28	14
21.08.12	28	11
04.09.12	28	15
07.09.12	28	9
10.09.12	28	14
18.09.12	28	13
20.09.12	28	9
01.10.12	28	14
05.10.12	28	13
10.10.12	28	11
18.10.12	28	11
22.10.12	28	13
05.11.12	28	10
12.11.12	28	9
20.11.12	30	17
29.11.12	30	15
06.12.12	30	19
10.12.12	29	14
12.12.12	30	15
14.12.12	30	13
17.12.12	30	15
19.12.12	29	15
20.12.12	29	15
21.12.12	29	16
31.12.12	29	15
07.01.13	30	13
10.01.13	31	20
18.01.13	30	17
23.01.13	31	17
28.01.13	31	13
04.02.13	31	17
11.02.13	31	19
15.02.13	31	14
18.02.13	31	18
22.02.13	31	21
Quotations called for during the year 2013-14		
02.04.13	31	10
03.04.13	31	11
04.04.13	31	18
09.04.13	31	14
17.04.13	31	17
22.04.13	31	14

30.04.13	31	12
01.05.13	31	15
06.05.13	31	18
08.05.13	31	13
15.05.13	31	12
21.05.13	31	13
22.05.13	30	15
27.05.13	30	10
05.06.13	30	14
07.06.13	30	14
11.06.13	30	14
21.06.13	30	19
26.06.13	30	14
28.06.13	30	13
08.07.13	30	14
22.07.13	30	11
24.07.13	30	13
01.08.13	30	16
05.08.13	30	17
06.08.13	30	17
30.08.13	30	12
02.09.13	30	12
25.09.13	30	12
07.10.13	30	14
08.10.13	30	17
14.10.13	30	11
21.10.13	31	13
23.10.13	31	10
04.11.13	31	11
07.11.13	31	10
14.11.13	31	10
20.11.13	31	13
03.12.13	31	14
23.12.13	30	9
03.01.14	30	12
10.01.14	30	18
28.01.14	30	11
05.02.14	30	15
07.02.14	30	13
17.02.14	30	14
04.03.14	30	16
11.03.14	30	10

ANNEXURE-XXII

Over payment of family pension - ₹19.76 lakh

Chapter-5 (Para 5.1)

S.No.	Name of Pensioner Sh./Smt.	Family PPO No.	Date of death of ex-employee	Enhanced rate of Family Pension (₹)	Normal rate of Family Pension (₹)	Period of recovery of overpayment	Amount of excess payment (₹)	Total amount recovered (till April 2015) (₹)	Balance to be recovered (₹) (Col.8 - Col.9)
1	2	3	4	5	6	7	8	9	10
1.	Sumera	3760	29.01.02	6017	3613	30.01.12 to 28.02.15	140076	8100	131976
2.	Vimla Devi	3908	24.01.02	5922	3553	25.01.12 to 28.02.15	133981	73600	60381
3.	Nirmala Devi	4008	21.10.02	5791	3500	22.10.12 to 28.02.15	125451	6600	118851
4.	Pushplata Kashyap	4182	10.06.03	12091	7255	11.06.13 to 31.01.15	189040	109040	80000
5.	Nirmala Devi	4039	15.09.02	7345	4407	16.09.12 to 28.02.15	166818	9000	157818
6.	Krishna Devi	4108	27.09.02	10961	6577	28.09.12 to 28.02.15	245902	48500	197402
7.	Samita	4150	02.10.03	4962	3500	03.10.12 to 31.01.15	51653	10000	41653
8.	Kamla	4040	23.07.02	7204	4325	24.07.12 to 28.02.15	178144	8700	169444
9.	Rani Devi	3334	20.11.00	6368	3797	21.11.10 to 28.02.15	209556	8100	201456
10.	Suman	4034	27.10.02	5537	3500	28.10.12 to 28.02.15	83657	8100	75557
11.	Krishna Devi	4092	13.05.03	5825	3500	14.05.13 to 28.02.15	78123	8100	70023
12.	Laxmi Devi	4208	26.06.03	4859	3500	27.06.13 to 28.02.15	34545	10050	24495
13.	Battoo	3714	08.06.01	5537	3500	09.06.11 to 28.02.15	125468	8100	117368
14.	Bhagwati Devi	4439	14.09.03	5922	3553	15.09.13 to 28.02.15	67800	Nil	67800
15.	Guddi	4406	09.02.03	4736	3500	10.02.13 to 28.02.15	59809	7200	52609
16.	Pradeep Kumar Mahajan	3972	16.10.02	7006	4204	17.06.12 to 28.02.15	173302	8700	164602
17.	Om Wati	4517	27.12.03	9830	5899	28.12.13 to 28.02.15	113270	12000	101270
18.	Sita	4381	16.11.02	4548	3500	17.11.12 to 28.02.15	29211	20176	9035
19.	Maya Devi	4392	19.04.03	8194	4917	20.04.13 to 28.02.15	144904	10200	134704
Total							2350710	374266	1976444
Say ₹ 19.76 Lakh									

ANNEXURE-XXIII

Excess expenditure incurred by C-I and C-II Division (Electric)

Chapter-8 (Para 8.2)

S. No.	Item No.	Estimate No.	Description of Deposit Works	Electrical Division	Excess expenditure (in ₹)
1.	2/2	N.A	Providing L.T. outgoing Panel at Type S/o to be estab. For telasing Elect. Land to various BLdg. of AIIMS.	C-I	16,248.48
2.	25	(E-32/2000)	Prov. H.T. connection to CAT Building Copernicus Marg, New Delhi	C-I	97,216.05
3.	3/18	N.A	Providing Electric Connection to Finland Embassy, Ch. Puri	C-I	52,129.26
4.	22/42	(E-71/2001)	Aug. of S/S Capacity for meeting addl. Load demand at 1 Red Cross Road.	C-I	1,03,029.86
5.	5	E-22/2004/EE(P)	Establ. One ESS in proposed laundry cum work shop building at AIIMS	C-II	2,23,415
6.	8	E-12/2006/EE(P)	Establ. Switching state installation of 3 nos. 1000 KVA 3 dry type transformer and providing HT feed to the electric switching station, New Post Ward AIIMS	C-II	7,42,792
7.	17	E-16/2008/EE(P)	Providing HT feed to Jawahar Lal Nehru Bhawan at 23-D, Janpath	C-II	14,36,094
8.	25	E-30/2000/EE(P)	Sanction of additional load at G.M. Building Northern Railway, Baroda House	C-II	2,17,501
9.	32	E-29/2009/EE(P)	Additional 2400 KW load at Air Head Quarter, Vayu Bhawan, New Delhi.	C-II	2,94,684
10.	40	E-16/2009/EE(P)	Rep. of HT cables from sub station Board lane and electric lane to Videsh Sanchar Bhawan, Bangla Sahib Road	C-II	15,35,480
11.	43	E-30/2000/EE(P)	Sanction of additional load at G.M. Building Northern Railway, Baroda House	C-II	15,381
Total amount					47,33,970.65
Say ₹47.33 Lakh					

Annexure-XXIV

Statement of outstanding damage and misuse charges
Chapter-9 (Para 9.1)
(a) Flat No.27, Khan Market

Name of the owner	Period	Misuse charges (in ₹)
Sh. Madhu Dave (HUF)	01.04.04 to 23.06.04 @ 66567 p.a.	15320
	24.06.04 to 14.01.05 @ 56546 p.a.	31759
	15.01.05 to 24.01.08 @ 56546 p.a.	171187
	25.01.08 to 19.01.11 @ 1069795 p.a.	3194730
	20.01.11 to 07.02.11 @ 1165868 p.a.	60689
	08.02.11 to 14.01.12 @ 2335156 p.a.	2181611
	Total	5655296
	1/10 th penalty of above	565530
	Total (A)	6220826
	Period	Damage charges (in ₹)
	24.06.04 to 14.01.05 @ 12090 p.a.	6658
	15.01.05 to 24.01.08 @ 12090 p.a.	36601
	25.01.08 to 19.01.11 @ 67510 p.a.	201605
	20.01.11 to 07.02.11 @ 66048 p.a.	3438
	08.02.11 to 14.01.12 @ 132096 p.a.	123410
	Total	371712
	Interest/Penalty charges	1869
	Total (B)	373581
		Enhanced Ground Rent (E.G.R.) (in ₹)
	01.04.04 to 11.07.04 @ 10204 p.a.	2852
	12.07.04 to 14.01.05 @ 12727 p.a.	6520
	10% interest on EGR w.e.f.01.04.04 to 14.01.05 (on old rates)	226
	10% interest on EGR w.e.f. 12.07.04 to 14.01.05 (on new rates)	334
	15.01.05 to 14.01.12 @ 12727 p.a.	89089
	10% interest on EGR w.e.f. 15.01.05 to 14.01.12	33408
	Total (C)	132429
		Additional Ground Rent (A.G.R.) (in ₹)
	01.04.04 to 14.01.05 @ 8715 p.a.	6900
	10% interest on AGR w.e.f. 01.04.04 to 14.01.05	690
	15.01.05 to 14.01.12 @ 8715 p.a.	61105
	10% interest on AGR w.e.f. 15.01.05 to 14.01.12	22877
	Total (D)	91472
	Grand Total (A+B+C+D)	6818308
		Say ₹68.18 lakh

(b) Flat No.29, Khan Market

Name of the owner	Period	Misuse charges
Sh. Anil Malik	20.01.11 to 07.02.11 @ 247102 p.a.	12863
	08.02.11 to 14.01.12 @ 494309 p.a.	461806
	Total	474669
	1/10 th penalty of above	47467
	Total (A)	522136
	Period	Damage charges
	27.01.10 to 19.01.11 @ 448662 p.a.	224946
	20.01.11 to 07.02.11 @ 373197 p.a.	19427
	08.02.11 to 14.01.12 @ 746394 p.a.	697316
	Total (B)	941689
	Grand Total (A+B)	1463825
		Say ₹14.64 lakh

(c) Flat No.30, Khan Market

Name of the owner	Period	Misuse charges
M/s Achievers Pvt. Ltd.	15.07.05 to 24.01.08 @ 6164 p.a.	15604
	25.01.08 to 27.01.11 @ 114371 p.a.	344053
	Total	359657
	1/10 th penalty of above	35966
	Total (A)	395623
	Period	Damage charges
	15.07.05 to 24.01.08 @ 95749 p.a.	242389
	25.01.08 to 27.01.11 @ 401792 p.a.	1208678
	Total (B)	1451067
	Grand Total (A+B)	1846690
		Say ₹18.47 lakh

Total outstanding dues = ₹1.01 Crore (₹68.18 lakh + ₹14.64 lakh + ₹18.47 lakh)

Annexure-XXV

Short recovery of licence fees - ₹27.99 lakh

Chapter-10 (Para 10.1)

Type of Qtrs.	Number of Qtrs.	Lic. Fees applicable as on 30.06.2013	Lic. Fees applicable w.e.f. 01.07.2013 onwards	Difference	Amount outstanding from 01-07-2013 to 31-12-2014 (18 months) [Col.No.2xCol.No.5]x18months
1	2	3	4	5	6
I	1049	115	135	20	377640
	84	145	170	25	37800
	458	205	245	40	329760
II	62	205	245	40	44640
	113	380	450	70	142380
	515	260	310	50	463500
	341	310	370	60	368280
	18	235	280	45	14580
III	103	310	370	60	111240
	357	380	450	70	449820
	47	420	500	80	67680
	1	525	625	100	1800
	12	340	405	65	14040
	1	740	875	135	2430
	11	410	485	75	14850
IV	58	420	500	80	83520
	66	525	625	100	118800
V	2	740	875	135	4860
	5	790	935	145	13050
	8	820	970	150	21600
	1	900	1065	165	2970
	35	980	1160	180	113400
Total	3347			Total	2798640
					Say ₹27.99 lakh

Details of dishonoured Cheques

Chapter-11 (Para 11.1)

2012-13				
Month	Total No. of dishonoured Cheques	Total amount of cheques dishonoured (in ₹)	Amount deposited by assessee (in ₹)	Uncleared amount of dishonoured cheques (in ₹)
April	14	1420703	89799	1330904
May	9	2135077	-	2135077
June	1	24124	-	24124
July	2	23211	-	23211
August	1	6000	-	6000
September	4	2152456	-	2152456
October	40	6105710	728612	5377098
November	9	10330708	201771	10128937
December	11	3292744	203124	3089620
January	12	444489	66957	377532
February	3	492105	-	492105
March	12	1955305	138799	1816506
Total (A)	118	28382632	1429062	26953570
2013-14				
April	22	7341715	-	7341715
May	3	356843	-	356843
June	-	-	-	-
July	-	-	-	-
August	1	59480	-	59480
September	-	-	-	-
October	3	408992	-	408992
November	-	-	-	-
December	13	-	-	-
January	53	6227763	-	6227763
February	38	5726861	-	5726861
March	12	1316612	-	1316612
Total (B)	145	21438266	-	21438266
Total uncleared amount (A+B)	263	49820898	1429062	48391836
Say ₹4.84 crore				

Extra expenditure on purchase of diesel in bulk

Chapter-12 (Para 12.1)

S.No.	Date	Qty. Purchased (in litre)	Diesel Rates in Bulk (₹)	Diesel Rates in Retail (₹)	Difference (₹)	Total Amount (in ₹)
1.	11.04.13	12000	54.84	48.63	6.21	74520
2.	23.04.13	12000	54.78	48.67	6.11	73320
3.	03.05.13	12000	51.81	48.67	3.14	37680
4.	15.05.13	12000	51.81	49.69	2.12	25440
5.	27.05.13	12000	52.76	49.69	3.07	36840
6.	07.06.13	12000	54.61	50.25	4.36	52320
7.	15.06.13	12000	54.61	50.25	4.36	52320
8.	05.07.13	12000	58.79	50.26	8.53	102360
9.	13.07.13	12000	58.79	50.84	7.95	95400
10.	26.07.13	12000	60.41	50.84	9.57	114840
11.	06.08.13	12000	60.72	51.4	9.32	111840
12.	14.08.13	12000	60.72	51.4	9.32	111840
13.	29.08.13	12000	61.74	51.4	10.34	124080
14.	10.09.13	12000	64.45	51.97	12.48	149760
15.	21.09.13	12000	67.45	51.97	15.48	185760
16.	30.09.13	12000	67.45	51.97	15.48	185760
17.	12.10.13	12000	63.52	52.54	10.98	131760
18.	26.10.13	12000	63.25	52.54	10.71	128520
19.	06.11.13	12000	62.97	53.1	9.87	118440
20.	21.11.13	12000	63.06	53.1	9.96	119520
21.	30.11.13	12000	63.06	53.1	9.96	119520
22.	14.12.13	12000	63.87	53.67	10.2	122400
23.	30.12.13	12000	64.36	53.78	10.58	126960
24.	09.01.14	12000	63.52	54.34	9.18	110160
25.	23.01.14	12000	62.61	54.34	8.27	99240
26.	06.02.14	12000	61.95	54.91	7.04	84480
27.	14.02.14	12000	61.95	54.91	7.04	84480
28.	28.02.14	12000	62.97	54.91	8.06	96720
29.	18.03.14	12000	62.34	55.48	6.86	82320
30.	29.03.14	12000	62.34	55.48	6.86	82320
Total						3040920
Say ₹30.41 lakh						

Annexure-XXVIII

UNCLAIMED EMD/SECURITY DEPOSIT

Chapter-13 (Para 13.1)

Sl. No.		Audit Period	Amount (₹)
Electric Engineering Department			
1.	33 KV Elect. Maintenance	2013-2014	754006
2.	11 KV Elect. Store	2013-2014	5892157
3.	C-II Elect.	2012-2014	17221418
Total (A)			23867581
Civil Engineering Department			
1.	BM-III, Civil	2013-2014	1701096
2.	BM-II, Civil	2013-2014	2523784
3.	Road-IV, Civil	2012-2014	5717315
4.	Road-II, Civil	2012-2014	2203162
5.	C-I, Civil	2012-2014	616341
6.	BM-I, Civil	2012-2014	4418120
7.	Sewerage Maintenance (Civil)	2013-2014	1635168
8.	C-III, Civil	2013-2014	1415955
9.	Road-V, Civil	2012-2014	5182578
10.	Road-III, Civil	2012-2014	2015725
Total (B)			27429244
Grand Total (A+B)			₹51296825 say ₹5.13 crore